KEEP STRONG

Fighting for Self-Government And Our Fair Share in the City

September-October 1987
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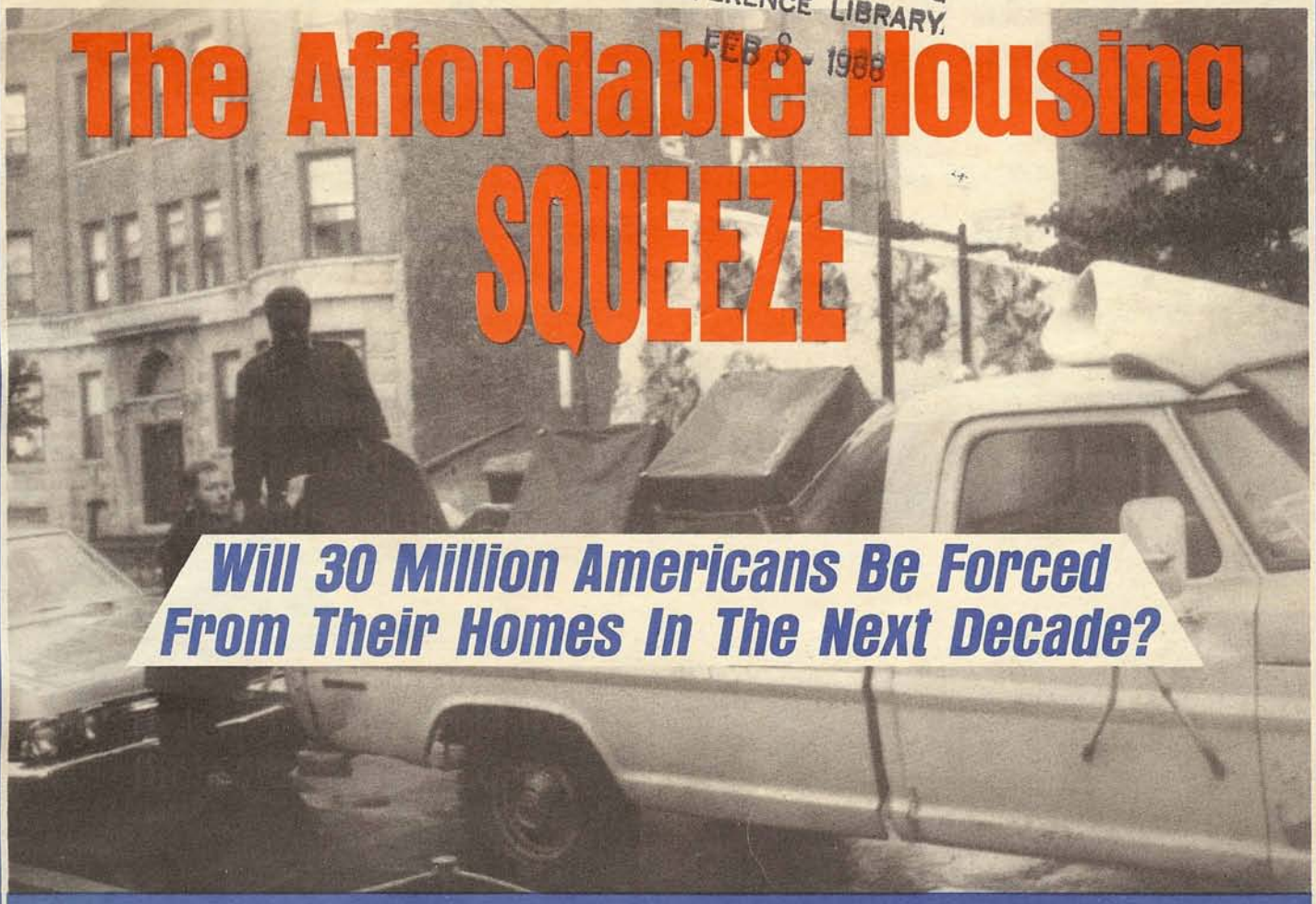


The Affordable Housing SQUEEZE

Will 30 Million Americans Be Forced From Their Homes In The Next Decade?

JESSE:

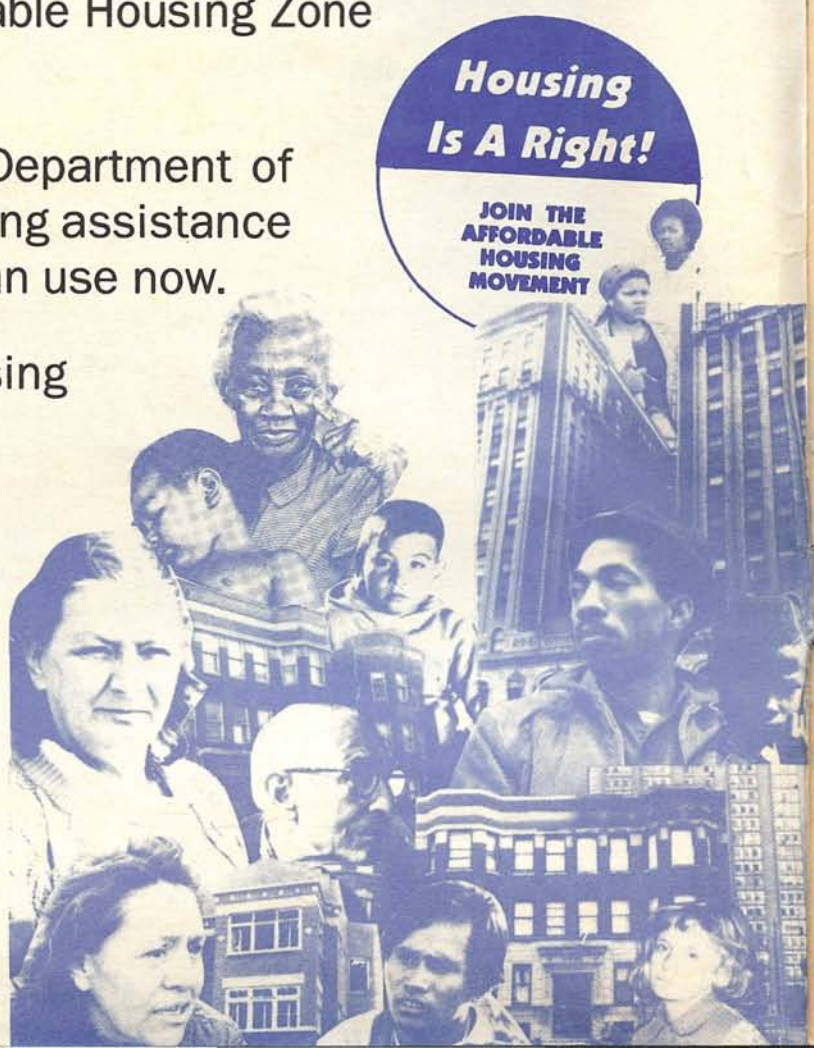
For Jobs, Housing and Education In The City

30 million people will be forced from their homes in the next decade unless we change this country's housing policies.

What Can You Do?

Join the Affordable Housing Movement to make decent affordable housing a right!

- Read *Keep Strong* and educate yourself and your friends about the national affordable housing crisis.
- Form an Affordable Housing Committee.
- Circulate the Affordable Housing Commitment petition to support Mayor Harold Washington's National Housing Program and Alderman Helen Shiller's Affordable Housing Zone ordinance.
- Contact the City of Chicago's Department of Housing to find out about housing assistance programs your neighborhood can use now.
- Organize to save existing housing in your community.
- Register to vote. Become a deputy registrar and register others to vote.
- Vote for Jesse Jackson in the Illinois primary in March.



KEEP STRONG

SEPTEMBER/OCTOBER 1987

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KEEP STRONG BLACKBOARD

Subject-Housing and Math

1. 70,000 public housing units lost each year x 10 years =

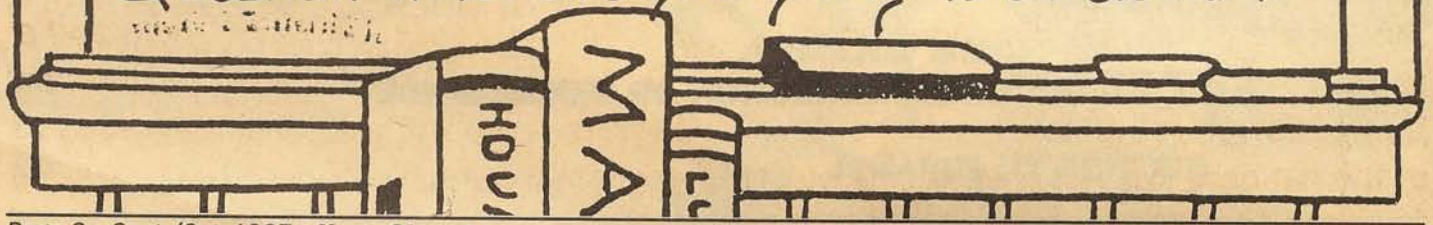
700,000 lost units x 3 people in each unit = 2.1 million displaced people.

2. 1 million units no longer affordable because subsidy contracts and agreements expire over the next 10 years X 3 people in each unit = 3 million displaced people

3. 2.5 million people displaced each year from abandonment and gentrification X 10 years = 25 million displaced people

TOTAL = 30 million people moved from their homes in the next 10 years if SOMETHING ISN'T DONE

Question-What are you going to do about it?



Keep Strong Editorial

FIGHTING BACK!

The Reagan counter-revolution, which began really with Nixon in 1968, is almost twenty years old and its trail of damaged lives stretches around the entire world. Nowhere will its effects be felt more harshly in the next decade than in the cities of this country. It is a "counter-revolution" because it sought to—and did—turn back the march of economic democracy in this country, the fight for a Fair Share for all the people of this nation. Riding in on a wave of unspoken racial mobilization, the Reagan counter-revolution has unleashed a flood of "economic violence" that threatens people of every color and nationality in this country.

In this issue, ***Keep Strong*** focuses on the affordable housing crisis that has been unleashed, aided and abetted by the Reagan counter-revolution. 30 million people in this nation are at risk of being forced from their homes in the next decade by the rising cost and dwindling availability of affordable housing. This crisis, combined with the loss of industrial jobs, will cause the greatest internal disruption in this country since the Civil War or the Great Depression and devastate the lives of 25% of the nation if it is not checked. Its most crushing effects will be felt in cities, cities like Chicago. That is ***Economic Violence!***

We must fight back now, and Mayor Washington has proposed a national movement behind a series of concrete proposals to meet the crisis in affordable housing. **Alderman Helen Shiller has initiated a local set of proposals** in Chicago that complement the Mayor's program. Together, they give us a program to fight for—and there are things that each of us can and must do to fight for them.

Keep Strong also takes this opportunity to endorse the presidential candidacy of Jesse Jackson. Of all the candidates who have announced their intention to seek the presidency, **only Jesse Jackson is confronting the issues** that affect the majority of people who live in the cities of this country. Only Jesse Jackson is willing to take on the multi-national corporations' flagrant export of jobs and capital which has devastated the working people of this nation. Only Jesse Jackson has spoken honestly and courageously on the issues of housing, education, health care and a just foreign policy. It is time, as Jackson says, to move from racial battleground to economic common ground!

The Affordable Housing SQUEEZE

When does an issue become a crisis? If 30 million Americans are to become the victims of displacement from their homes and communities, is that still the "issue of affordable housing" or does it at last become the "crisis of affordable housing?" If ten million of that 30 million are to find themselves homeless, is that then a crisis?

Will 30 million people be forced from their homes in the next decade?

The Reagan administration has been extremely reluctant to document and release figures that would show the extent of the ***national crisis in affordable housing***, but the story is leaking out in bits and pieces.

Almost no low income housing units are being produced by private developers without federal assistance. But low and moderate income units are being removed in privately owned non-subsidized housing at an alarming rate. Minimum figures indicated by the U.S. Department of Housing and Urban Development show that between two and three million people are displaced by rent increases every year. Rents do not go back down, so that these units go out of the inventory of low and moderate income housing. Over a ten year period, if the national trend is not reversed, these figures indicate that at a minimum 25 million people will be forced from their homes.

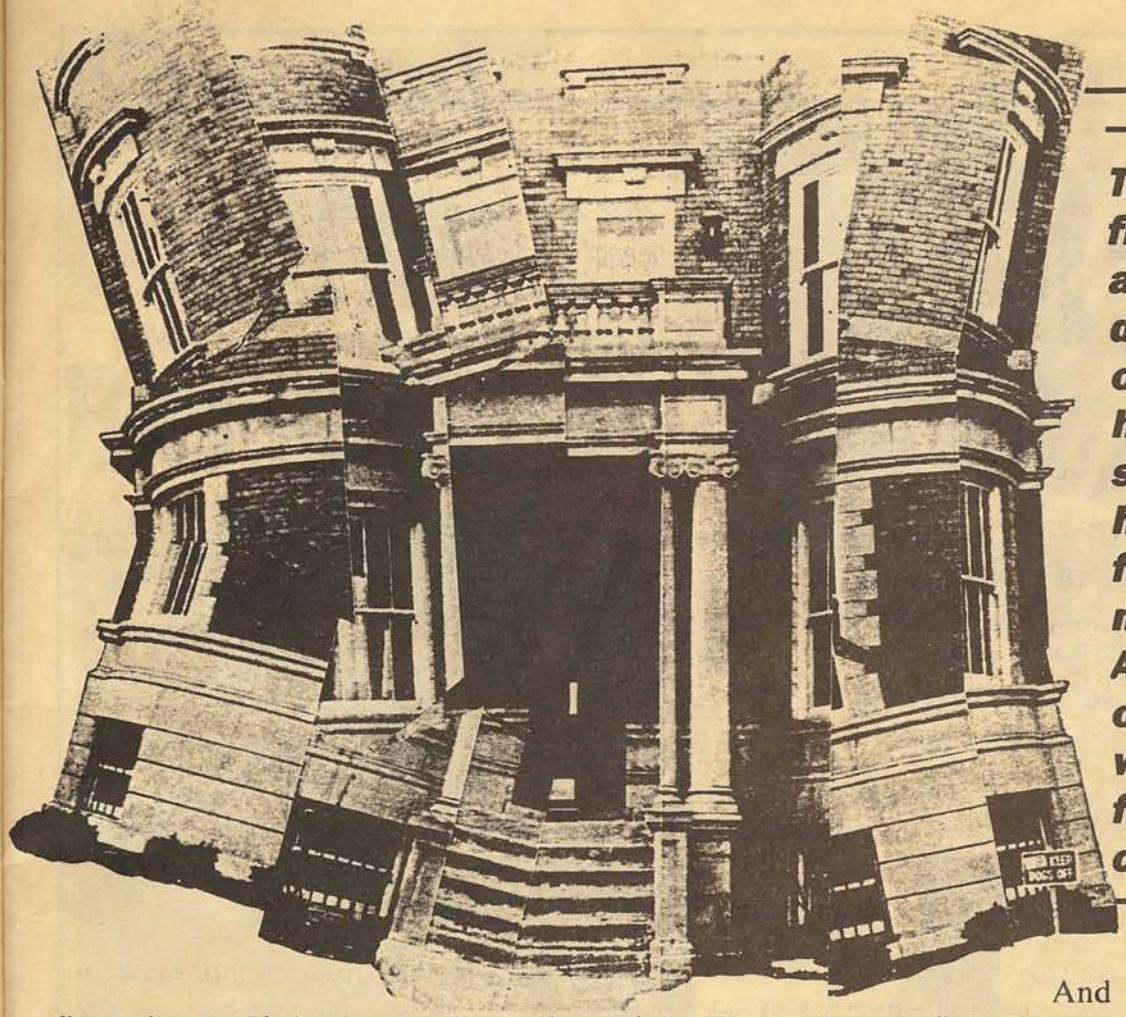
For those that do manage to pay higher housing costs this year and through the next decade, these higher housing costs will devour their paychecks. Already, in the last five years, housing costs have risen three times as fast as incomes.

Instead of intervening in this crisis, the federal government has added fuel to the fire. Seventy thousand (70,000) public housing units are abandoned or destroyed every year, according to HUD national secretary Samuel Pierce. Over 10 years, if this pattern continues, we will lose 700,000 of this nation's 1.3 million public housing units, and virtually no new units are planned for construction.

Nearly two million low and moderate income housing units are provided by contracts or mortgage agreements between the federal government and private owners. These agreements and contracts are coming to term in the next decade, and nearly 1 million could be allowed to expire.

Are new units being constructed in the private sector with federal assistance to make up for the loss of units elsewhere? Hardly. Housing production with federal assistance has dropped from 200,000 units a year to 25,000 units a year during the Reagan administration. If this trend continues, only 250,000 units of housing will be produced over the next ten years, and only a fraction of these will be for low income tenants.

What does it all add up to? You



Housing Is A Right!
JOIN THE AFFORDABLE HOUSING MOVEMENT

Those who can find housing among the dwindling supply of affordable housing will pay so much they will have little left over for the basic necessities of life. And millions, many of them children, will be uprooted from their communities . . .

figure it out: If the average low and moderate income apartment houses three people (a conservative estimate), 25 million people will be displaced from ten million homes by rent inflation and gentrification. Another two million will be forced from 700,000 abandoned public housing units. And another three million will be displaced from 1 million apartments when government section 8 contracts and mortgage agreements run out. The total: 30 million people forced from low and moderate income housing in ten years. It is perhaps the largest forced displacement in the history of the world.

What will be the result in human terms? Already estimates of the homeless are as high as three million. This number will more than triple. Those who can find housing among the dwindling supply of affordable housing will pay so much they will have little left over for the basic necessities of life. And millions, many of them children, will be uprooted from their communities, from their schools and from their jobs. Communities which have become strong enough.to get the benefits of political power will lose those benefits.

Of these 30 million most disastrously affected by the affordable housing crisis, over half will be Black and Hispanic, but millions of whites will also be affected. In the words of presidential candidate Jesse Jackson, "Unlike the racial violence of the sixties, the economic violence of the 80's is affecting people of every color."

And what of the dream of home ownership, the "castle" for the average American that protects them from the winds of real estate speculation and political shifts? Home ownership in this country has declined annually since 1981, following 35 years of steady increase. In 1949, the average 30 year old home buyer needed to spend 14% of his or her paycheck to afford a typical home. By 1985, this figure has risen to 44%.

It appears that the broad ranging effects of the housing crisis on so many people of so many differing races and incomes and so many different geographical areas, coupled with the devastating effect concentrated on millions of people in urban areas, is creating the base for a new national housing policy, rising first from the cities.

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Faces Behind The Figures

For years private developers have eyed Cabrini-Green and other housing projects as prime targets for their redevelopment schemes. To sell off public housing would displace thousands of families around the city.

ANNIE WEST (Left)
ANNIE JONES (Right)
Madden Park Homes

The Department of Inspectional Services has said there are enough serious violations in this development to close it down. If they did close it we don't know where our families would go.

There are plenty of vacant apartments that need to be fixed up. Look over there. A block away there are a dozen empty high rises on Lake Park. HUD will not turn loose the money to fix them, so they sit empty.

With what we can see here and up the street and what we hear about Section 8 and all the other federal aid to housing being cut, we don't have any choice. There's nowhere to go. We'll work with our own neighbors and anyone else to change HUD's priorities and fix this up.

What else can we do?

DOLORES WILSON
Cabrini-Green

I've lived here for 18 years and I pay $537 a month in rent. I'm not going anywhere. For more than a year tenants in this building have been undergoing a training process to prepare us for tenant management.

Developers want this land and they want us off it, but we still have a few years to fight it. They say tearing Cabrini down would better the neighborhood. If they were serious about bettering it then HUD would turn loose the money to rehab the hundreds of vacant apartments we have in Cabrini or build more housing on vacant land in the city.

In CHA we have two fights on our hands. One fight is to make residents responsible to each other. That's happening, at least in this building. The other fight is to make CHA responsible and HUD responsive. We can't allow them to screw up the people's business any more.

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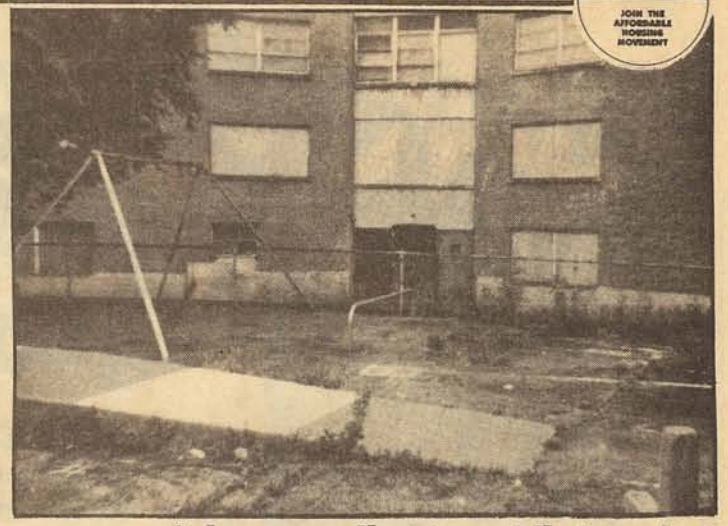
Out of the Business of Public Housing



It is, according to public housing observers, a "slow and painful phase-out of our national public housing"

Samuel Pierce, Secretary of Reagan's Department of Housing and Urban Development (HUD), is one of the President's original appointees who is still around in the cabinet. Pierce announced early that the Reagan Administration sought to "get the federal government out of the business of providing housing." HUD's own figures show that we are losing 70,000 units a year from the 1.3 million units of public housing that exist nationwide.

How are public housing units lost? The first answer lies in the billions of dollars of deferred maintenance that result from increasingly less money provided by HUD to local housing authorities for upkeep and repairs every year. In Chicago alone, officials estimate deferred maintenance at nearly 1 billion dollars.

Under Congressional pressure, HUD finally commissioned a national study of deferred maintenance. The result was staggering. According to 1987 figures, it will cost 21 to 25 billion dollars to bring public housing in the United States up to standard.

The loss of 70 thousand units each year is coming in places like Bridgeport, Connecticut at the Father Panyak Village Development. Forced to accept a private management company by HUD, the 1,068 units are all slated for demolition. Two hundred have already been torn down and 20% of the remaining units are vacant. Although HUD allocated $20 million for replacement housing, enough to rebuild 300 units, it also ruled that the units would have to be built on scattered sites in majority white economically well-off neighborhoods. The authority has not been able to acquire these sites so no replacement housing at all is being built—but the demolition of the 1,000 units is on schedule.

Characteristically, the Father Panyak Village public housing borders on "Harbor Row", targeted by the city for upscale development. As with Cabrini-Green in Chicago, pressure comes first to demolish public housing in areas where middle and upper income developers are doing business.

In Dallas, Texas, 1,000 units are scheduled for demolition, and two buildings are already gone. Tenants there are offered rent vouchers which they say are difficult to find affordable units with. Tenant opposition, including a filed lawsuit, has slowed the demolition process temporarily.

Meanwhile, throughout the nation, HUD continues to cut both operating costs and modernization (repair) monies to local public housing authorities and to urge local authorities to demolish buildings they cannot maintain on the dwindling flow of funds.

It is, according to public housing observers, a "slow and painful phase-out of our national public housing inventory."

Housing Is A Right!
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Faces Behind The Figures

Some people have to pay 75% of their income to rent—or even more.

SHIRLEY COLLINS
N. Racine Street

I haven't been able to work since 1971. I'm on General Assistance—actually P3. I draw $191.86 and pay $150 a month rent. I get $80 in food stamps. I buy stuff like neckbones—4 pounds for a dollar. You eat it all month even if you get tired of it, because what can you do?

Where I used to live my rent went up to $295 a month so I had to move and give up my apartment. The light bill was ridiculous. Then I shared an apartment for a year because I could not make it alone. Then I moved here. I saw it in the papers—$150 a month, utilities included so I jumped for it. I flew over here because at that time I was getting $154 a month and that left me with four dollars. So I'm here in one room with a community bath down the hall.

I'm trying to get Social Security and if they deny me I'll go back down to $154. I'm supposed to pay gas now, but I haven't been able to get it because I don't ever know if I'm going back to $154—if I do I won't be able to afford it so I cook on a hot plate and with a crock pot. It's a good thing I don't have to pay for lights.

The possible pre-payment of HUD mortgages threatens 200,000 to 900,000 low and moderate income tenants with displacement.

FREDDIE MAULDIN
W. Waveland Ave.

I live in HUD subsidized housing now and have been here for 14 years. My income is about $8000 a year. I have two children and we have a three bedroom apartment that we pay $445 a month for. The market rent for this apartment is $599 a month which I can't afford.

When my building goes up for pre-payment I don't know what I will do. Rents can go up and it costs as much as $900 to $1200 a month for an apartment like I have now anywhere else.

When I talk about it I'm ready to explode. My landlord has been trying to evict me because I'm on a subsidy. My sink backs up with sewage and everything. I've been complaining for 2 months but nothing is ever done. I'm talking about harassment.

You find yourslf in a jam, you can't move anywhere, it's so expensive. You think about giving up.

The imminent expiration of Section 8 contracts threatens displacement for over one million tenants.

JANICE GIBSON
Pensacola Place

My income is just under $12,000 a year and I pay 30% of that for rent. I have a two bedroom apartment and if I had to pay market rent it would be $699 a month. I can't afford that. I have two children.

I was told Pensacola Place had a five year Section 8 contract which would have been up for me last April. At this particular time I don't know what is happening—if the contract has expired, is going to expire or is going to be renewed.

I don't have any alternative plans, I only hope if I have to move that the management company gives us a sufficient amount of time to look for other housing because it won't be easy.

Housing Is A Right!
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Time Runs Out On Nearly 10,000 Units of Affordable HUD Housing in Chicago

Over the next ten years about 24,000 Chicago residents may lose their homes. They live in apartments that rent for affordable prices and the current housing market in Chicago offers them fewer and fewer places to move.

While many of these apartments are in good condition and provide quality housing, apartments in some buildings have been allowed to deteriorate seriously while HUD looked the other way.

These families live in HUD subsidized buildings that are about to fall victim to the Reagan privatization of housing and their plight tells a story of greed and neglect by the federal government.

About 20 years ago the federal government decided to help build affordable housing by offering loans to private investors of one to three percent interest to build housing.

In return for the low interest rates, the developers promised to keep the rents at affordable prices by submitting all requests for rent increases to HUD for approval.

Although the congressional law stated that these subsidized buildings (called 221(d)3 and 236 buildings) should remain at affordable rents for 40 years, somewhere along the line HUD issued regulations saying the mortgages could be repaid after only 20 years. The 20 year figure is now beginning on buildings in Chicago.

Essentially, the developers of these buildings can now pay off the remaining 20 years on the HUD mortgage and then raise rents dramatically or even sell the apartments for condominiums. The potential for windfall profits is enormous.

For instance, the mortgage at the 160 unit building at 533 W. Barry was just paid after 20 years. The result was a 230% rent increase. Obviously, the former residents had to move.

The temptation to pay the mortgage off after only 20 years is great in Chicago because many of these buildings are in neighborhoods that are already ravaged by gentrification. Because of that, building owners know that they can raise rents in large increments because of the inflated rents in surrounding buildings.

This 209 unit building at 833 Buena is up for mortgage pre-payment on January 5, 1988.

HUD's current policy is of little help to those private owners who are committed to maintaining their apartments at affordable rents. HUD currently offers no incentive to make major repairs while maintaining affordable rents. Some of these owners may be driven to pre-pay and refinance

continued on page 10

See chart on page 10 for listing of subsidized buildings up for prepayment

The Affordable Housing SQUEEZE

continued from page 9

their mortgages to include the money needed for costly repair. But this would require raising the rents substantially to meet the requirements of the new mortgage.

In addition, rental income in many of these buildings is subsidized by Section 8 certificates, which allows a higher rental income for the owner to pay for repairs from and a lower rent actually paid by the renter. HUD has been pushing very strongly to phase out the Section 8 certificate program.

Because of the severity of the problem, some congressmen have proposed a moratorium on the payment of the mortgage after only 20 years.

Currently, there are two bills in Congress that seek to either impose a moratorium on early payment or provide incentives to those developers who would sell their buildings to community corporations dedicated to affordable housing. A similar moratorium affecting buildings in rural areas has already passed Congress.

This chart lists 221(d)3 and 236 buildings in Chicago and the date the buildings are eligible for mortgage prepayment.

Ward	Address	Date Available For Prepayment
1	Ogden/Racine: 1170 W. Erie	9/1/91
2	T.K. Lawless: 430 E. 36th St.	5/1/89
2	South Commons: 26th & Michigan	8/9/89
2	Long Grove House: 2001 S. Michigan	5/1/90
2	2101 Michigan Apts.: 2001 S. Mich.	2/8/92
2	Cambridge Manor: 26th & Prairie	2/3/93
2	Lake Park Manor: 36th & Lake Park	9/1/93
2	Lake Grove Village: 35th & Cottage	11/1/93
2	Luther Terrace: 4747 S. King Dr.	12/31/94
3	S & G: 426 E. 48th Pl.	12/1/98
3	Michigan Manor: 5800 S. Michigan	9/30/2001
4	Greenwood Park: 47th & Woodlawn	3/1/91
4	Lake Park: 4048 S. Lake Park	8/18/92
4	Lake Village East: 47th & Lake Park	2/8/94
4	King Dr. Apts.: 5035 S. King Dr.	9/1/95
5	Island Terrace: 6430 S. Stony Island	4/2/90
5	Country Club: 6930 S. Shore	4/17/91
6	Leigh Johnson: 7300 S. Dobson	4/1/93
8	Dauphin Apts.: 9200 S. Dauphin	6/5/89
16	66th St. Apts.: 418 W. 66th St.	9/13/87
16	Lowe Terrace: 6531 S. Lowe	4/1/94
16	Ada Throop: 6849 S. Ada	9/18/2002
16	Englewood Terrace: 6425 S. Lowe	9/23/2002
17	Englwd. Common: 7000 S. Eggleston	2/2/2001
19	Ridge Gardens: 100th & Sayre	11/16/94
20	6000 Indiana Building	6/1/91
20	Queen Bee: 7000 S. Dorchester	10/1/93
20	Vista Gardens: 6253 S. Michigan	11/1/2001
27	Chicago's Best: 3001 W. Jackson	9/1/95
39	Belle Plaine: 4009 N. Frisco	10/1/89
39	Springfield: 4815 N. Springfield	7/1/90
40	Whipple Apt.: 4939 N. Whipple	9/2/94
43	West Park: 1715 N. Larrabee	8/1/93
43	1665 N. Orchard	1/1/99
43	Walpole Pt.: 2140 N. Lincoln	4/28/94
43	1900 N. Larrabee	1/1/94
44	Belmont Harbor: 510 Belmont	3/26/90
46	Buena Apts.: 833 Buena	1/5/88
46	Pine Grove Apts.: 3639 Pine Grove	2/1/89
46	Sunnyside Apts.: 840 Sunnyside	11/1/89
46	Eastwood Shores: 840 Eastwood	10/1/89
46	4640 Sheridan	6/1/90
46	Lakeview Towers: 4550 Clarendon	1/1/91
46	Belle Plaine: 820 W. Belle Plaine	4/11/93
46	Pine Grove: 707 Waveland	8/9/94
48	Carmen/Marine: 5030 Marine Dr.	10/17/88
48	Sheridan/Gunnison: 4811 N. Sheridan	1/1/99
48	5209 N. Kenmore	1/1/94
48	908 W. Argyle	1/1/92
49	Estes/Paulina: 1701 W. Estes	10/1/89

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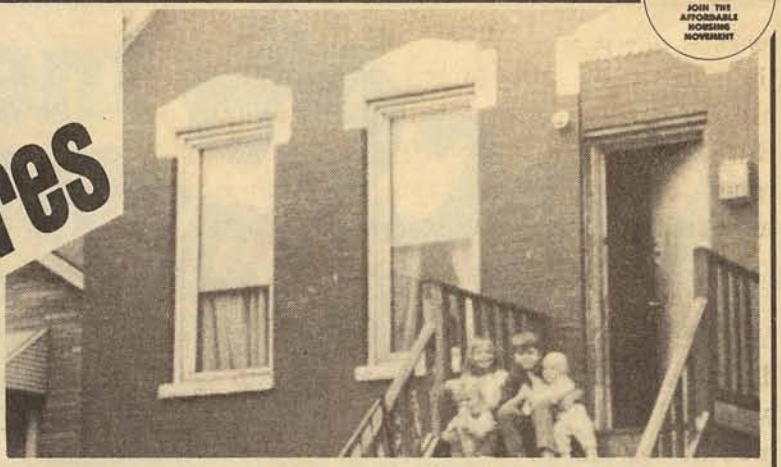
Faces Behind The Figures



Years ago buying a home took about 15% of a family's income. Now a homebuyer may pay as much as 44% of his income.

ROSEMARY BARRETT
N. Greenview

I bought this house on contract for $22,000 starting 8 years ago. My payments are about $300 a month.

I pay $700-800 a year in taxes. In the winter gas cost about $150 a month and the rest of the year it's about $40 a month. Electric in the summer went up to $300 last month and it's about $75 a month when it's not summer. We had to put on a new roof, a new sewer line and new pipes in the water line cause it broke. It cost about $500.

The roof was old and it blew off. The man I am buying the house from hadn't paid his insurance even though that is included in my payments so I'm paying insurance plus I had to pay $1200 to fix the roof. It's like double dealing us.

He could sell the house from under me because I don't have the papers and the only thing I could do is show all the receipts and the copy of the contract. I almost lost it because I got a letter saying that the taxes hadn't been paid and that there was $1500 owed. I had to borrow money to pay the taxes from a friend and it took over a year and a half to pay it back.

I make about $1200 a month being a waitress. I have five kids that live here with me. We have no medical care so I owe medical bills and pay about $125 a month to catch up on them.

I pay about $300 a month for food and I get all our clothing at the thrift stores. I don't have any money for anything except what it costs to survive.

Before I bought the house there were 12 of us living in three rooms. If I had to rent a place—5 or 6 rooms—it would cost maybe $600. and I wouldn't have anthing to show for it.

If someone has no money and they're put out on the street they might have to stay in an emergency shelter

RAWLENA FIGUEROA
N. Kenmore Street

I was living with my cousin and my cousin decided to move out of town so I had to stay in a shelter for 3 weeks because I didn't have any money for an apartment. There's me and my two babies. Shelters get you down and get you depressed but I was lucky. The man who had this building when I moved here understood my situation and knew I didn't want to stay in a shelter so he took what money I had to give him.

I've been here 3 months. I get about $340 on welfare. I pay $275 for rent and have to pay utilities. I'm afraid they'll shut this building down because it's so bad. I don't know where I can go because most apartments are at least $400 and I can't afford that.

Housing Is A Right!
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Faces Behind The Figures

A family might live in a building for years and pay rent regularly, but when the gentrifiers come in to rehab and raise the rents the family has to move.

K. MALI WONG

displaced from N. Beacon Street

Ms. Wong is from Laos and speaks no English. She was interviewed through a translator.

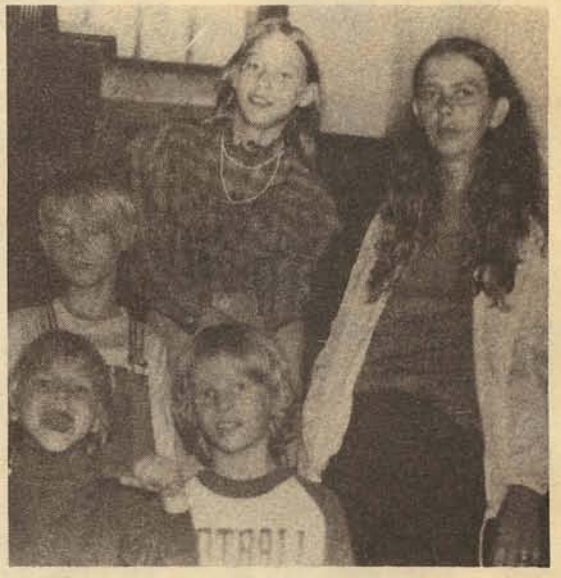
When my children and I first came to this country our sponsors brought us to Uptown, to Beacon Street. At first it was very nice. There were other people from my country in the building and they made us feel at home.

Our building was in good shape, but after we had lived there about two years it was sold, and then a year later it was sold again, to Randy Langer.

Randy Langer let the building rot out. At first we fixed things ourselves, but in the end nobody cared about the building because Langer wouldn't do anything. All of a sudden he told everyone to move because he wanted to rehab it.

I lived in this building six years and got 30 days to move. I have three children. We had to move out of Uptown because we couldn't afford the rents. We asked Mr. Langer if we could move back in and he said we would have to pay $400 for a one bedroom apartment and $700 for a two bedroom apartment. Before we had to move we were paying $275 for a two bedroom apartment.

Families have to take apartments in bad, often dangerous conditions because that's all they can afford.



JEAN SMITH

N. Kenmore Street

Me, my husband, and our four children have lived here in a one bedroom apartment since June. There's holes in the walls, no lights in the halls, roaches and rats, the bathroom ceiling leaks everytime someone upstairs decides to take a bath. There's no hot water here. I talk to my landlord every month when I pay the rent and he says he's going to do repairs but he never does anything.

We can't afford another place to live that's big enough and decent. They're too expensive and most don't take kids. We get $507 a month on welfare. We pay $285 rent which does not include utilities. I can't save any money. We don't have any money for entertainment so for a change of scenery we take the kids to the lake.

I applied for Section 8 housing but I haven't heard anything yet. I don't know what we'll do if we have to move out of here.

Housing Is A Right!
JOIN THE AFFORDABLE HOUSING MOVEMENT

Abandonment and Gentrification

"They love our buildings too little or too much . . .

. . . but they don't give a damn about any of us!"

The reason for public housing and publicly subsidized housing in the first place is that the profit oriented private housing market does not provide affordable housing. The situation has clearly gotten worse, with the federal government estimating, conservatively, that between two and three million people are displaced from their homes each year as rent increases make these apartments unaffordable.

Aided and abetted by the housing developers and financiers, neighborhoods go through a cycle of disinvestment, deterioration, revitalization and gentrification. In any city, different neighborhoods stand in different stages of this cycle.

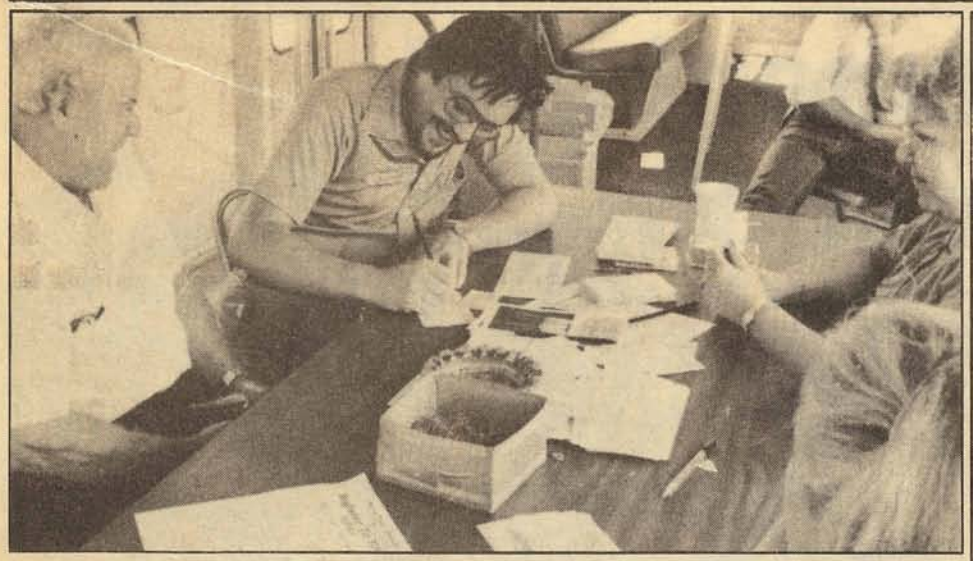
During the disinvestment stage, banks will not make loans to fix up buildings. Slumlords milk their buildings, collecting rents and putting nothing back in. Thousands of units in such neighborhoods are lost to abandonment and often arson for profit. The people who remain live in substandard, often dangerous apartments. The cost of property and buildings drops very low.

When the price of land drops low enough, the speculators move in. They buy cheap and sell dear. A few major developments spur smaller investors to get involved. Buildings with low and moderate rents are rehabbed and the rents are doubled or even tripled. Family-sized apartments are broken up into studio and one bedroom units. In such neighborhoods, thousands more affordable units become unavailable to low and moderate income tenants.

Federal subsidy programs, like Section 8, often work against affordable housing in such a gentrifying neighborhood. Under Section 8, the low-income tenant pays only 30% of his or her income, and the government pays the difference to make up a fairly high "market rate" rent. It is the expectation of these high rent incomes that makes it possible for the rehabber to get bank financing. But the result is buildings that increase the property value and property taxes of surrounding buildings, paving the way for these buildings to be bought, rehabbed and rented at high "market" rates without any subsidies available for low and moderate income tenants. Then the Section 8 contracts run out and the entire neighborhood is put out of reach of those seeking affordable housing.

The lost commitment of the federal government to extend Section 8 contracts and create other funding programs to maintain low-income housing in these areas has made "gentrification" another word for displacement of low and moderate income families and senior citizens.

The failure of government to intervene in the private housing marketplace, while it goes out of the business of providing public housing is the core of the crisis that will force 30 million people from their homes in the next decade alone.



The Battlelines

30 million Americans at risk of displacement over the next decade, if they organize to demand affordable housing and register to vote and stand behind Jesse Jackson, can turn this country's housing policies around.

The shouts and screams of neighborhoods and public housing communities are now being voiced powerfully by the mayors and a few congressmen from the cities where the affordable housing crisis is concentrated at its worst.

Led by new mayors like Mayor Harold Washington who have overthrown old established machines partly on the wave of protest against local housing and displacement policies, the mayors represent the frontline defense against the war on affordable housing now waged by the Reagan Administration.

The crisis in the "homeless", first championed by various liberals, has become so extensive that it can no longer be denied or pigeonholed as "all alcoholics and mentally ill people." Now even significant numbers of working families are on the street. The crisis itself is making the case for the affordable housing movement, the movement that says "housing is a right."

On the other side, the Reagan Administration is pressing on in its effort to "get the federal government out of the business of housing" and "let the private market run its course." The same conservative middle class militancy that pushed Reagan into the White House is fighting tooth and nail at every level of government to protect "the right" to eliminate affordable housing and "the right" not to pay taxes for federally subsidized housing. These "new militants", driven to protect their new flood of profits in gentrification, are often more vocal than the 30 million Americans that are losing their ability to find affordable housing a little more every day.

While all of the Democratic candidates for president profess a commitment to return to the federal commitment to housing, especially in the urban areas, none except for Jesse Jackson addresses the question head on for fear of losing support in more affluent sectors of their political base.

The battle will rage in the presidential campaign, because of Jackson's popular strength and articulate statements and because of pressure from the nation's mayors who sit atop enough electoral votes to select the next president of the United States. Similarly it will rage in Congress, especially in Senator Cranston's sub-committee on housing. But the outcome of the battle probably depends most heavily on the amount of activism that develops from the 30 million at risk of displacement and homelessness over the next months and years.

Housing Is A Right!
JOIN THE AFFORDABLE HOUSING MOVEMENT

Mayor Harold Washington's PROPOSAL: A National Commitment To Meet A National Crisis

Harold Washington, Boston Mayor Ray Flin and members of the special Housing Task Force—U.S. Conference of Mayors.

On Monday, September 14th, on behalf of the United States Conference of Mayors, Mayor Harold Washington announced a national proposal to meet the affordable housing crisis in the nation over the next decade.

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The Affordable Housing SQUEEZE

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The U.S. Conference of Mayors includes cities across the country of 30,000 people or more. Mayor Washington explained that this proposal would go to a committee of the U.S. Senate which is preparing the first housing legislation since 1981, and would also serve as a standard for support of presidential candidates in the cities of the nation.

According to Mayor Washington, the mayors of the nation focus their housing proposal on two priorities: the preservation of existing affordable housing and the need to build additional housing.

The Mayor referred to the crisis in affordable housing as an estimated *30 million people that could be forced from their homes* in the next ten years nationally by rising rents, abandonment, lost public housing units and the expiration of housing subsidy contracts which will allow private owners who got subsidies in the past to charge middle and upper income rents over the next ten years.

The Mayor proposed first that a 25 billion dollar superfund be established over the next five years to bring public housing up to standard. The federal government

FACT SHEET: U.S. Conference of

GOAL: To restore the federal commitment to meet the affordable housing needs of all citizens, particularly low and moderate income Americans.

THE HOUSING CRISIS TODAY

- Each year two to three million Americans are forced from their homes by uncontrolled housing costs which are increasing three times faster than income.
- The number of families seeking emergency shelter has increased by 31 percent in the past two years.
- More than 30 million people could be removed from their homes in the next ten years due to destruction and gentrification.
- As many as 900,000 federally subsidized but privately owned housing units will be removed from the affordable housing market in the next decade as a result of expiring rental and mortgage subsidy agreements.

THE PROPOSED FUNDING AND PROGRAMMATIC SOLUTIONS

I. New permanent financing in the form of two new national housing funds—one for public housing ("Public Housing Assistance Program") and one for subsidized privately-owned housing ("National Housing Trust Fund").

II. Preservation of existing urban programs including: CDBG, rental rehabilitation, Section 202 (elderly and handicapped), Section 312 rehabilitation loans, Section 8 moderate rehabilitation, UDAGs and HoDAGs.

III. Expansion of home ownership opportunities by amending the 1986 Tax Reform Act and preserving existing housing insurance and mortgage guarantee programs.

Benefits of Program Implementation

- Preserve the existing public and privately owned low-income housing stock
- Intervene at the neighborhood level to:
  a. curb disinvestment in low-income housing
  b. stem deterioration
  c. promote neighborhood revitalization which provides new affordable housing opportunities and encourages economic and racial integration
  d. prevent gentrification from reducing the supply of low-income housing units.

The Affordable Housing SQUEEZE

puts the cost of replacing the current units at 65 billion dollars. The government's own figures also put the cost of bringing public units up to standard at 25 billion dollars.

"If we neglect our $65 billion investment in public housing," said Mayor Washington, "like any business investment, we promote human misery while we lose

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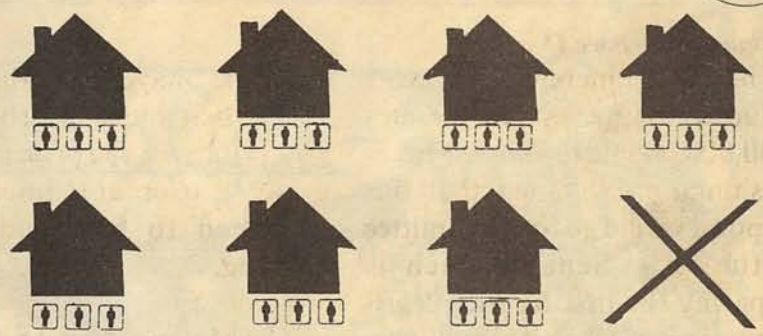

Over the next ten years, unless federal housing policies change, one person in eight will be forced to move because their housing is no longer affordable.

Mayors' National Housing Policy

PROBLEM

There are hundreds of thousands of people on the public housing waiting list. The federal government has made a $65 billion investment in public housing nationwide. Annually at least 70,000 public housing units are abandoned in disrepair. The cost of modernizing the existing 1.3 million public housing units is $21-25 billion.

THE PROPOSAL

A Public Housing Assistance Program designed to save public housing. It has three key components:

1. The $25 billion public housing superfund to preserve the existing public housing stock by catching up with the deferred maintenance in 1.3 million public housing units.
2. A modernization fund to finance ongoing maintenance and modernization of public housing units apart from catching up with the backlog.
3. An operating fund to meet the full range of operating expenses of public housing authorities.

PROBLEM

The federal government has reneged on its commitment to privately owned affordable housing. The number of new federally assisted housing units being constructed has decreased from more than 200,000 in 1981 to less than 25,000 a year today. In 1988 the federal budget will allocate les than 1 percent to provide affordable housing for citizens.

THE PROPOSAL

A National Housing Trust Fund.

This is an autonomous, permanent, renewable fund created to meet the capital costs of privately owned, low-income housing production and rent subsidies. The majority of the fund monies will be given directly to cities on the basis of need and the capacity to carry out the program goals. The rest of the funds will be allocated to states for use in non-entitlement areas.

FUND BENEFITS

- Provide new equity dollars required for expansion of privately owned affordable housing.
- Open up new construction opportunities at the local level for housing authorities, community development agencies and not for profit corporations.
- Provide rent subsidies to help bridge the gap between incomes and rents.

The fund will also finance special needs such as:

a. Implementing a comprehensive program to fight homelessness.
b. Finding new ways to cut the costs of producing low-income housing.
c. Supporting local initiatives which promote balanced neighborhood revitalization.

The Affordable Housing SQUEEZE

"We have a flaw in America. We don't deal with situations until they reach the crisis stage. But the problem with affordable housing is now a crisis that cannot be denied."

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money. If we protect our $65 billion investment, we address the problems of today's public housing residents, improve neighborhoods, and lay the groundwork for revitalization of our communities. This is the base, bedrock requirement of a housing policy —to reclaim existing units."

The Mayor continued, saying that, "We must go beyond repair and upkeep of existing public housing stock and commit to policies that develop new privately owned affordable housing."

Mayor Washington called for the creation of a National Housing Trust Fund that would help build four million privately owned, publicly subsidized affordable housing units in the next ten years.

In addition, the mayor's proposal called for tax breaks and federal assistance to first time low and moderate income homebuyers.

The Mayor's proposal specifically points out that millions of people are being displaced from their homes by gentrification and abandonment, two phases of the same "housing cycle". The "housing cycle" in city neighborhoods, according to the mayor goes through four phases: disinvestment by banks and large building owners, resulting in abandonment and deterioration, revitalization as real estate developers buy the buildings at cheap prices and gentrification where the rents and prices of the newly renovated buildings are placed so high that low and moderate income people cannot pay the rents.

The Mayor identified the Reagan Administration's housing policy, which has cut federal funds for low and moderate income housing to almost nothing, as the cause of the present housing crisis. "The government must intervene when the housing crisis gets to this point," said the Mayor.

In response to a question on where the money for the national housing funds would come from, the Mayor said, "It could easily be found in the $300 billion defense fund."

When asked why he thought this proposal could pass Congress now, reversing the trend of the Reagan Administration, the Mayor said, "We have a flaw in America. We don't deal with situations until they reach the crisis stage. But the problem with affordable housing is now a crisis that cannot be denied."

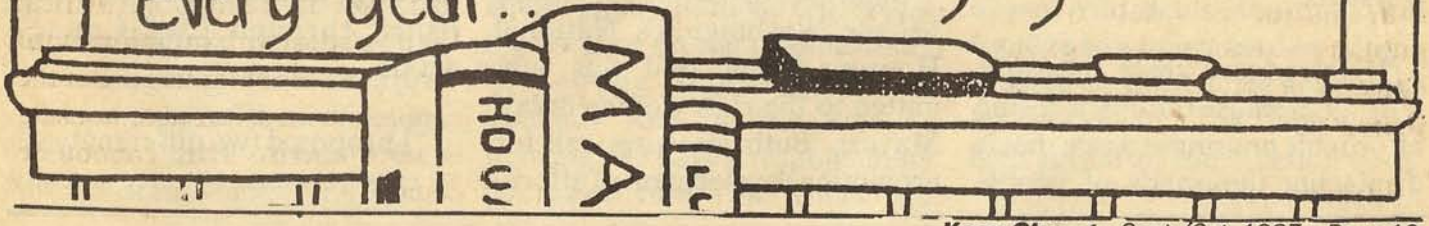
KEEP STRONG BLACKBOARD

Subject - The Housing Cycle - driven by speculation

1. Disinvestment - Banks don't loan money - this is called Redlining a neighborhood. Absentee slumlords milk the buildings, collecting rents, but putting in no money for repairs.
2. Abandonment, Deterioration - and Arson - Buildings get so bad that the tenants move out, or the buildings are vacated because they are dangerous. Then they are torn down. The price of the remaining buildings and the land goes way down. **Arson for profit** occurs. Speculators buy up the property at cheap prices.
3. Revitalization - Real Estate speculators sell the land at inflated prices. Developers begin to fix up the buildings and sell them at even higher prices.
4. Gentrification - Prices are inflated so high by developers and speculators that only middle and upper income people can afford to live there.

Result: 2.5 million people are forced from their homes every year..

Question: Where will they go?



Housing Is A Right! JOIN THE AFFORDABLE HOUSING MOVEMENT

Alderman Helen Shiller Introduces Local Affordable Housing Plan

"I introduced these measures . . . because the city is losing affordable housing at a rate that is displacing thousands of people from their homes."

Forty-sixth Ward Alderman Helen Shiller has introduced an ordinance into the Chicago City Council which provides incentives for building quality, affordable housing while slowing down the process of gentrification through placing disincentives on real estate speculation.

Passage of the ordinance would represent the first time since 1942 that the Chicago City Council passed legislation protecting affordable housing for the city's residents.

"I introduced these measures July 29, because the city is losing affordable housing at a rate that is displacing thousands of people from their homes," explained Shiller.

"Nationally, 30 million people over the next decade may be displaced from their homes, and on the local level, over the past two decades, over 10,000 people have been displaced from my ward. Unless something is done, over the next 10 years an additional 7,000 people may be forced to move from the Uptown area of the 46th Ward."

Shiller's proposal closely reflects Mayor Washington's National Housing Policy that was submitted to the U.S. Conference of Mayors. Both measures call for promoting development of affordable housing through offering incentives to private developers and preventing gentrification from reducing the supply of low-income housing.

Specifically, Shiller wants to create two types of affordable housing zones within Chicago: general zones which are characterized by blight and disinvestment; and revitalizing zones which are areas of the city that are undergoing gentrification and the consequent loss of affordable housing. Zones would be established through City Council action.

"I proposed two different types of zones because the city is really

The Affordable Housing SQUEEZE

Alderman Helen Shiller takes Mayor Harold Washington on a tour of problem housing in Uptown.

faced with these two different situations," said Shiller. "In some communities affordable housing has been lost because of deterioration of the housing stock and a total lack of any new investment.

"In other other areas the cycle has shifted from disinvestment to reinvestment. While no one likes to live in a "slum area," people who cannot afford higher rents find themselves faced with fewer and fewer alternatives. While they have paid their rent month after month only to have substandard housing in return, the new revitalization occurring in their area provides no place for them. They are forced to move—usually into more substandard housing, sometimes onto the street because there is no other housing for them that they can afford.

"The reality of inflation in the housing market has encouraged the worst kinds of speculators. The cost of housing has increased three times more than incomes over the last ten years. Meanwhile, there is virtually a zero vacancy rate for low income housing and at least a five percent vacancy rate for middle and upper income housing in Chicago today. At some point political leadership has to take on the responsibility of housing. If there is a low vacancy rate in one area of housing, we have a responsibility to make sure that there are incentives to steer the real estate industry to correct that imbalance. They have not been willing to do this on their own."

Shiller proposes to attract private investment in each zone by offering a series of incentives to developers that make it profitable to build affordable housing.

Complementing Mayor Washington's proposal to create a National Trust Fund to match local efforts, Shiller would create a local Affordable Housing Trust Fund to be administered by a commission of nine people appointed by the Mayor. The fund would help subsidize construction costs

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and would insure that the housing built would remain affordable.

"We are not trying to provide only temporary relief for the housing problem," says Shiller. "The housing built with these incentives should remain affordable housing."

In addition to being able to match funds from a National Trust Fund of the type Harold Washington is calling for, Shiller's proposal would also allow the local Trust Fund to receive money from a variety of other sources such as a fee on the conversion of property from industrial to residential use, a percentage of fines collected from the violation of the City's Building Code, proceeds derived from the sale of urban renewal lands and a portion of the already existing condominium transfer fee.

Left: 4609 N. Malden, shoddy rehab done by Community Property Organization (CPO) headed by Randy Langer, a developer whose intent is to make a quick buck by turning Uptown into another Lincoln Park. Right: The Norman Hotel, an example of rehab done by a new type of developer who is interested in fixing up buildings for low and moderate income tenants.

Also, approved developments within an affordable housing zone would be able to substitute the BOCA Building Code for the existing Chicago Building Code, an incentive which dramatically reduces construction costs while maintaining the safety of the residents.

Developers could also choose to joint venture with Local Public Development Corporations in each zone. These corporations would have to be approved by the Mayor's Affordable Housing Commission, and be tax exempt corporations that are at least half made up of community residents.

In addition to the incentives for affordable housing, Shiller's proposal seeks to defend current residents of a revitalizing affordable housing zone area from runaway displacement and gentrification. In these specifically defined areas, building owners would be discouraged from raising rents more than 15% during any 12 month period. By doing so, they would become responsible to provide 120 days written notice and $2,000 in relocation payments to any tenant who would be forced to move because they could not afford the increase and could not be relocated to a comparable apartment in the same community.

"My intent here is to provide stability for the area," said Shiller. "A $2,000 relocation payment is actually modest. Many states and cities, such as New York, currently require twice that amount."

Even though Shiller's proposal is still in the City Council Committee on Housing, its effect has already been felt in Uptown. "For the first time in 15 years a new breed of developer has come into the community," said Shiller. "There are private companies now investing in housing in Uptown in order to rehabilitate it and keep it affordable."

Housing Is A Right!
JOIN THE AFFORDABLE HOUSING MOVEMENT

What You Can Do To Fight For Affordable Housing

If you live in Chicago, the chances are that the affordable housing crisis is or will be affecting you, perhaps disastrously. Not only are there things that you can do, there are things that you ***must*** do if this city and this nation are to meet the challenge of the crisis. Change is not made by leaders, it is made by the masses of ordinary people taking a stand. That means all of us.

WHAT YOU CAN DO:

1. Form an Affordable Housing Committee in your community, your block, your building, your organization or your church.
2. Circulate the AFFORDABLE HOUSING COMMITMENT petition to support Mayor Harold Washington's National Housing Program and Alderman Helen Shiller's Affordable Housing Zone ordinance. ***(see next page for petition)***
3. Contact the City of Chicago's Department of Housing to find out about housing assistance programs your neighborhood can use now.
4. Organize to save existing housing in your community.
5. Register to vote and become a deputy registrar actively registering others in your community to vote.
6. Help give presidential candidate Jesse Louis Jackson a strong vote in the March Illinois Primary in order to send the message that the federal government must change its housing policy.

NAME _____

ADDRESS _____

PHONE _____

_____ We have formed an Affordable Housing Committee—send us more information.

_____ I want to circulate the AFFORDABLE HOUSING COMMITMENT petition.

_____ I want to become a deputy registrar

Return to **Keep Strong Magazine Affordable Housing Campaign**
1140 W. Montrose,
Chicago, Illinois 60613

The Affordable Housing Commitment

We fully support Mayor Harold Washington's call for a **National Housing Commitment** including the 25 billion dollar superfund to bring public housing up to quality living standards and the national housing trust fund for the creation of more low and moderate income units of housing. We support Mayor Washington's effort to extend affordable housing opportunities for people now living where Section 8 contracts will soon expire or where HUD mortgages requiring lower rents can be released by pre-payment.

We fully support Alderman Helen Shiller's local Affordable Housing Zone proposal which provides incentives to rehab and build new affordable housing in both disinvestment and gentrification areas in the city while discouraging displacement of current low income residents.

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Return petition to: **Keep Strong Magazine**
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Jesse Jackson - For Jobs, Housing and Education in the City

By Maureen Grey

"I support Jesse Louis Jackson for President of the United States," said Mayor Harold Washington at a September press conference, "because he speaks most clearly to the needs of the people of the cities, most clearly on the issues of jobs, housing and education."

The September press conference was history in the making. Hundreds of Hotpoint workers poured out from the plant, to join Mayor Washington and dozens of local elected officials and community and labor leaders in endorsing Jesse Jackson's presidential campaign. The mayor did not mince words. "I want it to be very clear. I support Jesse Jackson for President. I will work for him. I will lead the Jackson Illinois delegation to the Democratic Convention. I mean it."

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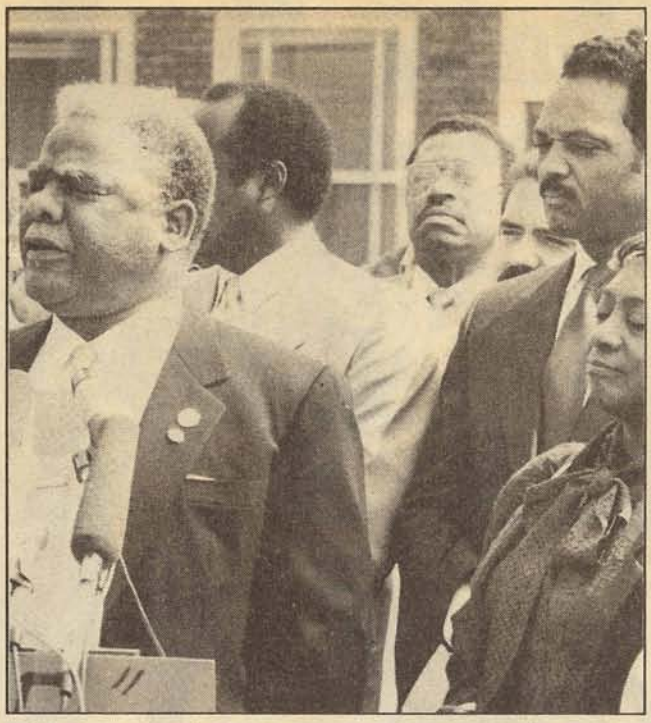
The press conference was made for Jesse Jackson's main campaign themes. Just across the Chicago border in Cicero, Illinois, the Hotpoint factory is owned by General Electric which is threatening to close and move to Alabama.

"In the sixties," said Jackson, "Cicero was the scene of the fight against racial violence. In the eighties, today, it must be the site of the beginning of the fight against economic violence: the economic violence done to workers of all colors who are thrown to the wolves when plants are closed. We must move from racial battleground to economic common ground."

Who, asked Jackson, is the biggest exporter of goods from Taiwan to the U.S., utilizing martial law slave labor to put U.S. workers out of work? Who takes a giant share of defense contracts which produce what the world doesn't need while other countries put U.S. workers out of jobs by producing what the world wants? None other than General Electric, the company that threatens to close this plant down and devastate the lives of workers and their families and the communities and cities they live in.

Jackson calls for "corporate reform." "It's good to focus on welfare reform," says Jackson, "because we need welfare reform. But welfare reform without corporate reform represents little, if any, progress. As this example shows, any attempt to deal effectively with trade and world economy problems must deal squarely with transnational corporations and with the issue of international worker's rights." In earlier statements, Jackson made it clear that he viewed the crisis of public housing as a "land question." The developers want this inner city land for high income condo developments. It is a question of the "soul coast vs. the gold coast." Jackson has presented the strongest case and demonstrated the strongest commitment to solving the crisis in affordable housing, underfunded inner city schools and inadequate health care accessibility. "The U.S.," says Jackson, "must re-invest in its cities.



"I support Jesse Louis Jackson for President of the United States because he speaks most clearly to the needs of the people of the cities."

Mayor Harold Washington

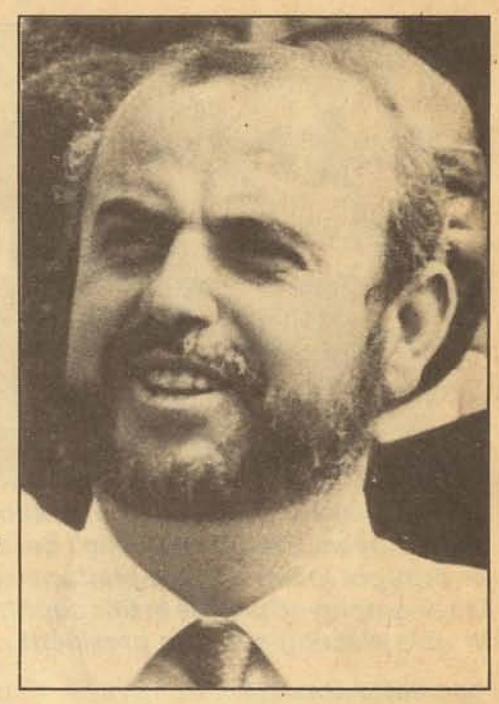
"We live in a constantly changing world economy, where the competition for jobs is not between cities, but across borders; where even service jobs are being transported overseas; and local businesses are looking over their shoulders with fear at the merger maniacs—who pay themselves tremendous profits while they squeeze the productive capital and decent paying jobs out of our national economy. I know, as you know, that we must have a national economic policy that makes sense; a national urban policy that makes our cities a priority; and a national administration that once again understands that America's cities are critical to our national strength."

"We love you both," cried out one supporter in the wildly cheering crowd, referring to Jackson and Mayor Washington standing together in front of the troubled Hotpoint plant. Indeed, Washington who is taking the lead nationally among city mayors to promote a progressive urban agenda, and Jackson, emerging as the principle spokesperson for the demands of the cities, make a formidable team. Considering that cities of over 30,000 people contribute enough electoral votes to deliver a presidential election almost by themselves, the Washington-Jackson partnership for the cities may provide a striking answer to those who say Jackson can't win.

On the Front Lines. . .

Keep Strong Interviews

John Agrela



General Electric is threatening to close yet another Chicago area plant, as they continue to increase imports of their products from overseas plants. The closing of GE's Hotpoint plant in Cicero, will put some 1,550 people out of work. Keep Strong interviewed John Agrela, president of the Sheetmetal Workers Local 571, on the plight of the Hotpoint workers, and the continuing trend of plant closings that symbolizes the wave of "economic violence" taking place in the country.

Interview by Karen Lane

Keep Strong: *Could you describe the situation at the Hotpoint plant in Cicero?*

John Agrela: This is the refrigerator plant that they are talking about phasing out—closing it. GE says phase out; I say it's a plant closing because they are going to close those doors. Across the street from that plant we have the range facility where we produce units that go inside the stoves. We have approximately 200 people once they phase out.

The whole story revolves around the $100 million investment that GE is trying to make to renovate the plant, to automate, to put in new technology. This $100 million is either going to be here or in the Decatur, Alabama plant. All indications at this time, according to newspaper stories, are that we are running neck and neck.

Keep Strong: *So, one plant or the other is going to be shut down?*

Agrela: Yes. It's like the Roman type Olympic games. In the old days the Romans would say, "I'll let you out of jail but you're going to have to fight to the death" to the gladiators.

Even a recent newspaper article said they are pitting worker against worker for jobs. It is a new wave of exploitation. They are going to exploit organized labor vs. unorganized; south vs. north; the U.S. vs. Taiwan and so on. And there is no stopping this if it catches on. Now it's the southern belt. The next round of negotiations will be with Taiwan, and we just can't compete with Taiwan. We cannot compete with Mexico, with Brazil, or with the Caribbean Basin. We can't.

Keep Strong: *Why is that?*

Agrela: Because, for example, when I say competing, when the company says competing, it means wages. In Mexico they make about $3.00 a day versus our $11.66 an hour. So what the company is trying to do is to continue to exploit the workers. And I'm not fighting against the Taiwanese.

What the company is trying to do is lower our standard of living to compare with those abroad. But I think what we should be doing is bringing the Mexicans and the Taiwanese up to our standard of living.

Keep Strong: *What is the extent of GE's operation overseas?*

Agrela: They have an enormous number of plants in every corner of the world. Brazil, Canada, the Philippines, Juarez, and Mexico.

Keep Strong: *Do you see this most recent move as continuing the trend to move U.S. operations overseas?*

Agrela: Definitely. That's their plan. They could build appliances

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On the Front Lines. . .

"Jesse Jackson represents a coalition of poor people, farmers, the unemployed. Even if he doesn't get elected, the plight of workers will be brought forward in the platform of the Democratic Party. And if all the unemployed people in this country got together, we would have no trouble electing our own president . . ." **John Agrela**

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much cheaper even in Decatur, Alabama. Decatur is about $9 per hour. They could hire a whole neighborhood in some other part of the world for these wages.

Keep Strong: *Is Decatur unionized?*

Agrela: No. It's totally non-union. That's another item that we are looking into: we refuse to fight the non-union element.

Keep Strong: *Do you see this as a trend in general, more companies moving their plants overseas?*

Agrela: Yes. It's a trend because our government leaders, while they can go out and give money to the contras, which are 5000 miles away, they cannot give money to stabilize economic development for the communities at home.

Keep Strong: *Out of the 1550 workers, do most of them live in the city?*

Agrela: Yes. The average worker has been there 20.5 years. We're talking an older worker force. It [the plant closing] will be devastating.

Keep Strong: *What national policies need to be changed to stop this trend?*

Agrela: The public domain policy is something we have to consider. When you have a factory close down, it is something that the community depended upon for survival. For years and years they have been exploiting the community. They have been taking the tax base out of the community, because they have been getting grants. And all of a sudden they pull out, they devastate the economic base of the workers, and their families and the economic base of the community. It's a crime. They are raping our workers. Like Jesse Jackson said, that's economic violence.

We feel that the plant belongs to the workers and we will do anything to keep this plant going. On the other hand, the company is making money—an enormous amount of money. We are the most productive, and there is just no need to close down this plant. We have the possibility of taking GE to court [based on] the numbers of minorities we have. We have about 85 percent minority, and 20 percent are women.

Keep Strong: *On what basis would you take them to court?*

Agrela: There is an EEOC decree, a consent decree with EEOC after they were found to be discriminatory in not hiring minorities and promoting them, including women. We feel that in the 50's there were no blacks at this plant, and minorities do not have the same opportunity to get a pension that white workers have. Therefore, it would be a discriminatory pattern that the company is going to close and relocate elsewhere.

We are also looking at other avenues to fight. One would be a boycott of consumer products. I've been receiving an enormous amount of support in that area. If all else fails, that is what we are going to do. Right now we are going to engage in the local management negotiations via employee participation.

Keep Strong: *You support Jesse Jackson for president. Why?*

Agrela: Jesse Jackson represents a coalition of poor people, farmers, the unemployed. Even if he doesn't get elected, the plight of workers will be brought forward in the platform of the Democratic Party. And if all the unemployed people in this country got together, we would have no problem electing our own president, or senators, or whatever.

On the Front Lines . . .

Chicago Successfully Defends Its Public Housing But the Battle Continues

By Maureen Grey

In December of 1986 Reagan's Department of Housing and Urban Development (HUD) began a concerted attack on the management of the Chicago Housing Authority. The local Authority was already up against the wall because of twenty years of machine mismanagement and seven years of shortchanging in federal funds from HUD that resulted in nearly one billion dollars in deferred maintenance. Claiming mismanagement on the local Authority's part, HUD began to withhold even the trickle of funds previously committed to Chicago's public housing.

HUD demanded that the Authority give day to day control of Chicago public housing to a private management company that they (HUD) would choose and direct. In other cases where HUD had been allowed to put such companies in place, as in Bridgeport, Connecticut, public housing units had been sold off or torn down.

Mayor Washington and the CHA Board refused to turn over Chicago's 40,000 apartments to Reagan's handpicked team. Instead, the Mayor appointed replacements to former Byrne appointed board members, including a new chairman, placed his deputy chief of staff Brenda Gaines as acting interim executive director and appointed a blue ribbon team of business and civic leaders to help put the Authority back in shape.

HUD continued to press for control, continued to withhold funds necessary to run and repair public housing units and finally stated it would move in court to take over the agency.

"They had us in a bind," the Mayor explained privately. "We had a good chance of beating them in court where we could get out our side of the story, but by withholding funds over a long-term fight, they could wreak havoc on the buildings and the lives of

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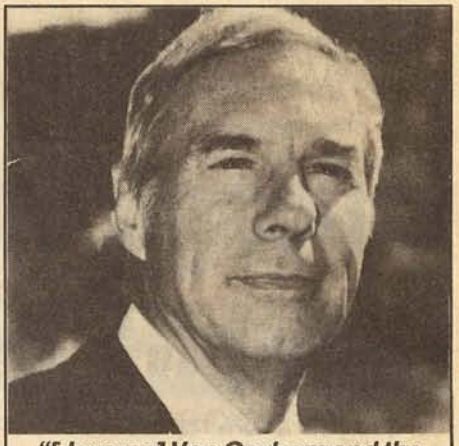
On the Front Lines . . .

Mayor Harold Washington and the CHA Board refused to turn over Chicago's 40,000 apartments to Reagan's handpicked team.

As Acting Interim Executive Director, Brenda Gaines battled HUD and implemented reforms that met almost all of HUD's charges.



"[Jerome] Van Gorkom and the compromise will force tenants to organize and stay organized if they want to stay in public housing."

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the tenants who occupy them.

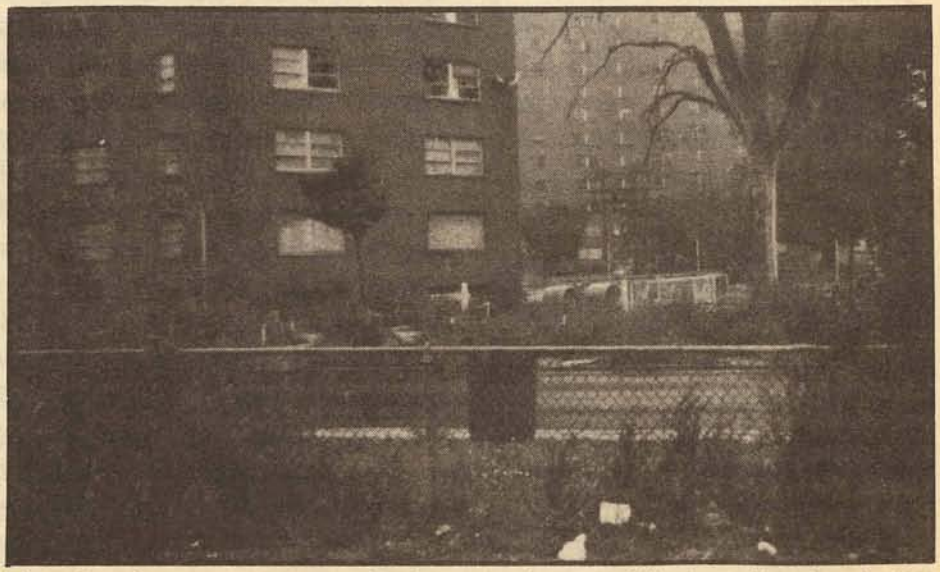
With Chicago, under Mayor Washington's tough leadership, refusing to roll over, HUD was finally forced to compromise its attempt to take over the agency. But not until the CHA Board installed Jerome Van Gorkom as executive director, a conservative Republican who heads the School Finance Authority.

The compromise effectively allows the CHA Board to stay in control of the fate of the CHA and should force HUD to release much needed funds for repair and operating expenses.

With the debate raging, for instance, over whether Cabrini-Green should be torn down, the CHA Board's control is the only hope of saving these thousands of public housing units from HUD's wrecking ball. Tenants who have problems with Van Gorkom's day to day management decisions will still have recourse to the CHA Board.

The compromise does not deal with the small amount of funds available because of Reagan cuts in the face of the one billion dollars of deferred maintenance. Nor will it stop pressure from developers and HUD to tear down or sell off buildings like Cabrini-Green which are located in choice, upper income development areas.

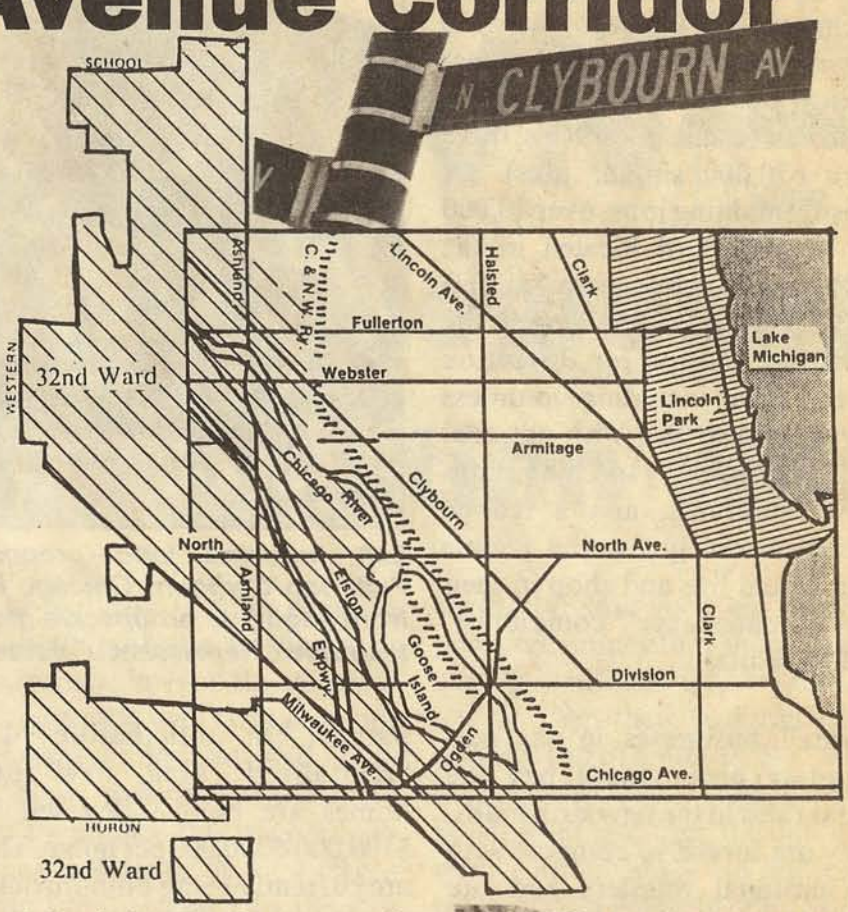
Some tenants and activists in CHA say that the compromise has a positive side. "Van Gorkom and the compromise will force tenants to organize and stay organized if they want to stay in public housing and make it decent—and that is exactly what we have needed to do all along!"



The developers want to rehab or replace public housing in choice development areas with housing for the upper income. At stake is the future of thousands of families living in public housing who would be uprooted and thrown into a housing market where the vacancy rate is near zero. Where will they go?

On the Front Lines . . .

Clybourn Avenue Corridor



Good Jobs and Affordable Housing or Minimum Wage Jobs and Luxury Housing?

By Cathy Shanley

A controversy over a proposed "strip" shopping mall for the Clybourn/Fullerton/Chicago River area has highlighted questions about the future of development for the "Clybourn Avenue Corridor" and bordering residential areas in the 32nd Ward.

In order to proceed with the 17 acre development on what is now industrial property, the developers, Centrum Properties, Inc., need a special zoning change approved by the Chicago Plan Commission. Due to opposition from community residents, businesses, and city officials concerned with the loss of industrial space and jobs, Centrum requested a continuance at the September 10th meeting of the Chicago Plan Commission.

A door-to-door canvass and petition drive has been underway for the last several weeks by members of the 32nd Ward Fair Share Independent Political Organization to bring information to the community and to document opposition to the shopping mall. Affordable housing and the need for jobs are the two main concerns. "The jobs that these developments provide are low-paying and part-time," said Emma Lozano Rico, Executive Director of the 32nd Ward Fair Share IPO. "We're hoping an industrial company will take up the facility with good paying jobs."

The latest wave of gentrification, moving west from Lincoln Park and DePaul and north from River North into the Clybourn Avenue area is resulting in the displacement and threatened removal of industries, small businesses, homeowners, and renters. Spurred on by the promise of huge and quick profits, developers have either completed or are planning dozens of "upscale" shopping malls, townhouses, and lofts for offices and living spaces. How will this "development" affect the current residents of the area?

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"We believe that the 32nd Ward should be a place where we can continue to both live and work. We are committed to having community participation and involvement in making plans that affect our future, because our community is our future. We do not believe that people who live here now can afford another 'Lincoln Park' West or 'DePaul' West."

Emma Lozano Rico

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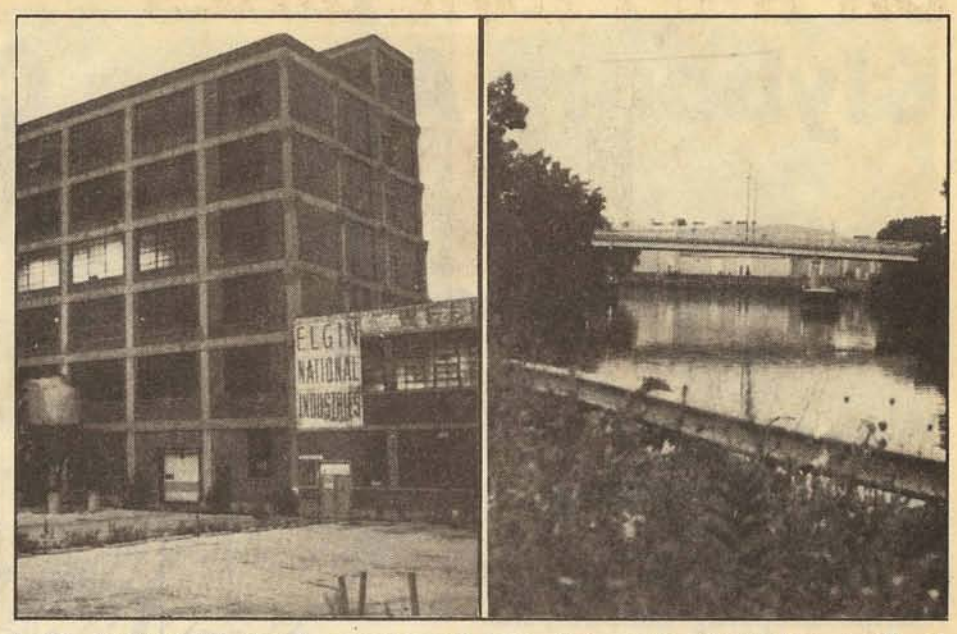
JOBS

Currently in Chicago, there are approximately 250,000 manufacturing jobs in 6,000 remaining factories. (In the mid 1940's, there were 670,000 similar jobs). Of those remaining jobs, over 20,000 are in 350 firms located in the Clybourn Avenue area. If left unchecked and unchallenged, the developers' vision for the future of the area, including countless "strip" malls filled with national retail chains, fancy specialty shops and restaurants, and a redone riverfront solely for the people who would live and shop in their new "Renaissance" community, will be realized.



Left: Industrial land—proposed site for new shopping mall at Fullerton/Clybourn/Chicago River. Developers are eyeing the riverfront (right) as an upscale marketplace for those who would live in their new "Renaissance" communities.

Small businesses in the surrounding area cannot pay the rental rates in the new strip malls. They are forced to compete with the national retailers and are caught in the squeeze. Well paying manufacturing jobs would be replaced by minimum wage service jobs. The average cost to rent industrial space is $2-4 dollars per square foot. The average cost to rent current commercial space is $15-40 dollars a square foot. These inflated rates make it impossible for new manufacturers to move into the area and for current industries to expand; on the other hand, developers are willing to pay these prices and national retailers can afford to pay these prices to stake their claim in new territories.

HOUSING

The effect on homeowners and tenants is an all too familiar pattern. In anticipation of a "revitalized" area, new town homes are built. They sell for $100,000-$300,000 per home. They are currently being built throughout the entire Clybourn Avenue area. As property values become quickly inflated, current and longtime small property owners are caught in a massive squeeze and encouraged to sell by anxious realtors, or are forced out by property taxes that they simple cannot afford to pay. Those that stay pass on increases to the tenants, raising the rents to often unaffordable rates, or the new owners "rehab" the buildings and raise the rents deliberately to drive out current tenants.

PROTECTED MANUFACTURING DISTRICTS

Currently, a law is being proposed in the Chicago City Council which would give it the power to designate certain manufacturing districts as off limits for residential uses and "noncompatible" commercial uses. Special action by the Chicago Plan Commission, including a public hearing, would be required before any zoning change could be made within the specially protected district. These districts would be called "protected manufacturing districts." The purposes of this law would be:

- to foster the city's industrial base and help maintain the diversified economy to promote the general welfare of its citizens;
- to shelter existing manufacturing districts;
- to encourage industrial investment, modernization, and expansion of existing industry.

This law would be a major step in working towards a comprehensive plan for industrial protection and growth.

On the Front Lines . . .

UPTOWN—

15-Year Battleground

in the Gentrification War

By Karen Zaccor

The Heart of Uptown, a small community on Chicago's north lakefront, has been the center for 15 years of a citywide battle between gentrification and the right to affordable housing that now rages nationally.

Twelve thousand units of housing have been lost in those 15 years. Thousands of families have been burned out or displaced by rising rents and unliveable conditions. But the families that remain continue to wage the battle against the planners and developers who see Uptown, nestled between high income neighborhoods on choice lakefront property with easy access to downtown, in terms of dollars: millions of dollars they will make for renovating and rebuilding housing for the upper income people—the "gentry"—who wish to move back into the city. For many of these families, having been forced from other neighborhoods to make way for the gentry, Uptown represents a last stand in the city.

The battle for Uptown began in the 1960's with the development of a masterplan for the community, complete with college, shopping centers and renovated housing. New, wealthier white faces were to replace the largely low-income residents of all races—White families come to the city from the South to find work, Blacks, Hispanics and American Indians who then lived there.

Although the community was unaware of the masterplan's existence until later, a host of small and large scale slumlords and developers went to work to implement the plan with one objective in mind: to get rid of low-income residents no matter what suffering they caused doing it, at the highest possible profit.

Forced into too-small apartments as slumlords broke up their buildings into more units to garner more rent monies, families found themselves in apartments where gas and electricity were being regularly shut off as owners pocketed money that should have gone to utilities. Some families had to keep their bathtubs continually full of water to deal with the recurrent water shutoffs. If a boiler went out, then the building went without heat—no matter if residents were elderly or ill. Some buildings had little or no heat all winter long.

Mothers armed with baseball bats sat up nights to stop the rats from biting their children as they slept. "There's no extra charge for the pets," sneered one landlord when a tenant who had been bitten complained to him.

Family after family withstood such conditions for months at a time because they had no money to move and no place to move to, as building after building was lost to fire, extreme deterioration or demolition in a community with a vacancy rate near zero.

Not that Uptown residents sat

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The four-block area of Kenmore and Winthrop Streets from Wilson to Lawrence was targeted for redevelopment by the city in 1968. In the next decade more than 200 units of housing were vacated or destroyed. There were 100 major fires in eight years.

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by and let this happen to them—Uptown has always been a fighting community. If a family had no electricity or hot water, the neighbors would help out. If the landlord or manager called police in order to harass a tenant others came forward to deny the charges. In the mid 1970's the Uptown Tenants Survival Union (UTSU) was formed and began to organize building by building—carrying on rent strikes so tenants could accomplish repairs that landlords refused to do, fighting evictions, taking landlords to court for building violations. They met with some successes in keeping buildings from being abandoned or demolished—and learned some hard lessons too.

One lesson was that the city was of no help to the struggling Uptown residents. If a building got so bad it went to building court, any of several things might happen, all of them of benefit to the slumlords. The court might grant a request for demolition, in which case that many more units of housing would be lost and the slumlord would have a property worth virtually as much as before without the worry of a building not up to code. Building inspectors might be paid off, leaving the tenants in a continually worsening situation. The building might be "sold" to a friend of the slumlord, the sale putting off court action, while the friend continued to milk the building.

The city's public housing arm, CHA, was no better. Only a small number of Section 8 subsidies were available citywide compared to the number of low-income

On the Front Lines . . .

4425 N. Racine: milked for three years by landlord First Federal Bank, then abandoned. Fearing for the future of the block, its neighbors tried to prevent its demolition. The Uptown Tenants Survival Union was formed by tenants to try to save buildings before they were abandoned.

residents who qualified for the program—and CHA did nothing to locate landlords willing to participate or to help landlords already participating to fix minor violations so their buildings could continue on the program.

In fact, by the mid 1970's it became very clear that the massive displacement campaign was really the city's own and that behind small slumlords milking their buildings were huge developers, working with the city's blessing, waiting to grab up the land to move their masterplan forward.

Between 1970 and 1976, 1200 units of low-income housing were destroyed in the Clifton-Racine area between Wilson and Montrose to make way for Truman College. A community coalition fought back, armed with proposed alternative sites that would have saved housing and a "village plan" for the area the college was to occupy. Despite the strong resistance, the college was built, although smaller in size than the original plan which would have destroyed 4000 units of housing. To this day, residents maintain that the college was built to encourage a different class of people to come to Uptown, carrying out the city's masterplan; there is little community outreach on the school's programs, and in many cases residents are discouraged from using its facilities.

Beginning in the mid-1970's, the area at Montrose and Broadway was systematically cleared of its tenants: long time senior residents and primarily Black families. A typical campaign of terrorism was initiated: unstable people were moved into the buildings who dealt drugs and promoted prostitution. Seniors were robbed and police harassment of Blacks at neighborhood stores and bars escalated. To get rid of those who stuck it out, the fires started. The building at 925 Montrose was burned 15 times in 4 months to get rid of the tenants and clear the way for developer Bill Thompson, Mayor Daley's son-in-law, to put up high rise, high-cost housing with fancy boutiques where those homes had been.

Despite community resistance, 1200 units of low-income housing were cleared to make way for Truman College.

The community fought back harder, on several fronts, using a strategy they developed through years of experience in neighborhoods around the city.

The Avery lawsuit was filed, charging a conspiracy between developer Thompson, the city and the federal government to use funds designated for developing low and moderate income housing to help finance high rent (and high profit) development that would destroy a racially and economically integrated neighborhood. It accomplished several things. In the first place it won concessions in the development of "Pensacola Place" to include a Jewel store on the first floor and 20% of the units set aside for low income housing. It also won a cash

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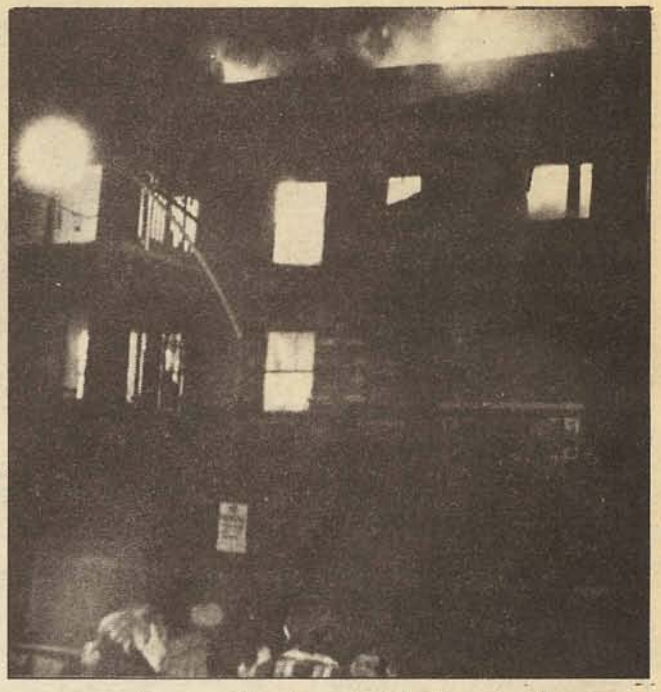
settlement for some of the victims of the displacement conspiracy. Perhaps more than that, it put large developers on notice that launching their vast development schemes in Uptown would set an irate community upon them, and that slowed up the rate of redevelopment for a while.

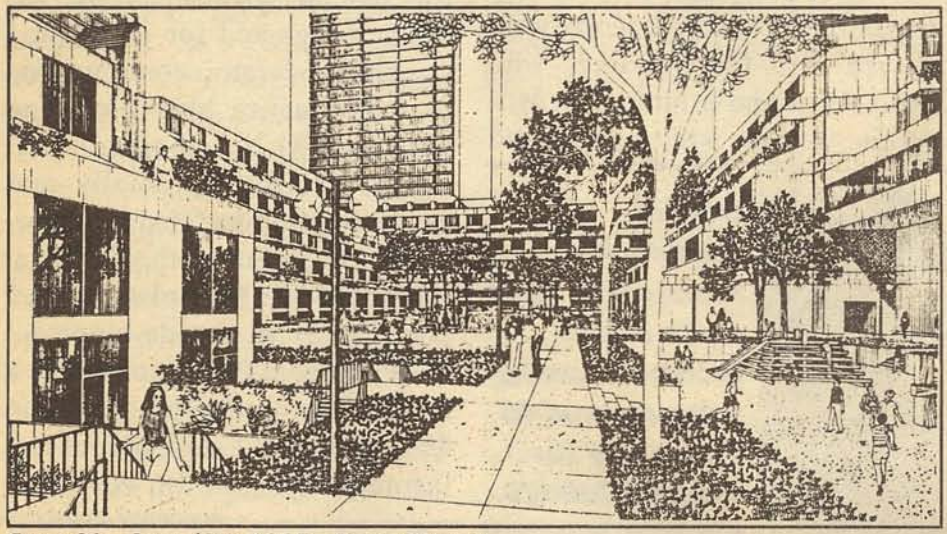
On another front, Uptown joined with communities around the city in the Coalition to Stop the 21 Plan, the masterplan for Chicago in the 21st century that called for the elimination of low income communities, Black, Hispanic and poor White, in ān ever increasing spiral outward from the center of the city and their replacement by whiter, higher income communities like Lincoln Park. The Coalition publicized details of the plan around the city, holding conferences, demonstrations, and marching on elected officials to express their opposition. As reports of similar masterplans in other major cities surfaced, Chicago became the leader in a growing resistance to this assault on the cities.

Fire! That bone chilling cry was a regular occurrence in Uptown until a massive community campaign against arson for profit slowed the rate of fires way down.



In Uptown the community formed the Heart of Uptown Block Club Coalition and developed its own block by block plan for development—and ran its own candidate, Helen Shiller, for alderman in 1978 and again in 1979. Shiller narrowly missed victory, and won overwhelmingly in the Heart of Uptown where her commitment and tireless efforts to promote community self-determination and development in the interests of current residents earned her massive support.

Undaunted by the election loss, the Coalition pushed on. A rash of fires that killed or severely injured dozens of residents and destroyed many large buildings provoked a quick response: an arson-for-profit conspiracy was identified, the conspirators named and their method of operation exposed to a national audience in an ABC "20-20" documentary. In the face of a massive community campaign against arson, the arson rate in Uptown diminished.



A vision of the Chicago 21 Plan, a plan to redevelop the inner city from the Loop outwards, eliminating the low income neighborhoods that exist there now and replacing them with middle and upper income neighborhoods for people living in the suburbs to move back to the city.

On the Front Lines . . .

4068 N. Sheridan was rehabilitated with help from the Washington Administration. Moderate income people live here now. Since Washington's election in 1983 rehab for low and moderate income housing has increased.

The Coalition developed a plan for a Landbank Cooperative which, fueled with a promise of units of housing from HUD and CHA and $1 million in city Community Development Block Grant funds, would begin to buy, rehab and build housing for the community that would be ***owned*** by the community through the Landbank. The idea was to do what the developers had been doing: buy some property and use it for collateral to acquire other property to build on or rehab—except in this case, to be owned by the community and developed in the interest of current residents. It was an exciting and innovative plan, but at the last minute Mayor Byrne reneged on her promise and the deal fell through.

The Landbank Cooperative went on, however, on the scale of one building: 4340 N. Kenmore. A group of staunch tenants, using only their rent money and time and dedication were able to bring the building from the verge of being lost to a reasonably decent building by the time it was sold, and the tenants were able to secure long-term leases in the process.

At the same time, the Coalition established the Heart of Uptown Small Landlord Association of small landlords interested in providing low rent housing to take advantage of programs available to upgrade their buildings.

On a larger scale, the Coalition was able to stop a scheme by Uptown Federal who had bought up a number of buildings in a small area in the eastern part of Uptown to convert to higher income buildings. Demonstrations were carried on at the bank creating bad publicity, and a lawsuit filed that dissuaded the bank from carrying out its displacement plan.

In many respects, though, the community was dwindling. With Reagan as president and Mayor Byrne saying "Let's give Reagan's policies a chance" less and less money was available for housing subsidies and construction; more and more policies promoted masterplan interests. Gentrification was becoming a fact in Uptown as building by building was rehabbed and rented out—"No children"—at much higher rates.

The core that remained in Uptown vowed to keep fighting and threw itself wholeheartedly into the election of Harold Washington as Uptown's—and the city's—only chance for resistance against Reagan's anti-city strategy. For Uptown, having Washington as mayor has meant assistance rather than opposition in providing city programs to upgrade housing. Uptown has created a Housing Abandonment Prevention Program that is a model for the city, identifying buildings in danger of being lost and working with willing landlords to save them.

But at the same time federal money has continued to dry up and developers have succeeded in quietly buying up a large part of the neighborhood, recently aided by the passage of an ordinance that gives Uptown historic landmark status. Tax credits available for rehab have led a number of developers to displace their tenants while they fix their buildings for wealthier residents.

The new kind of developer who has surfaced in the gentrification game is even more insidious than the slumlord. The prime example

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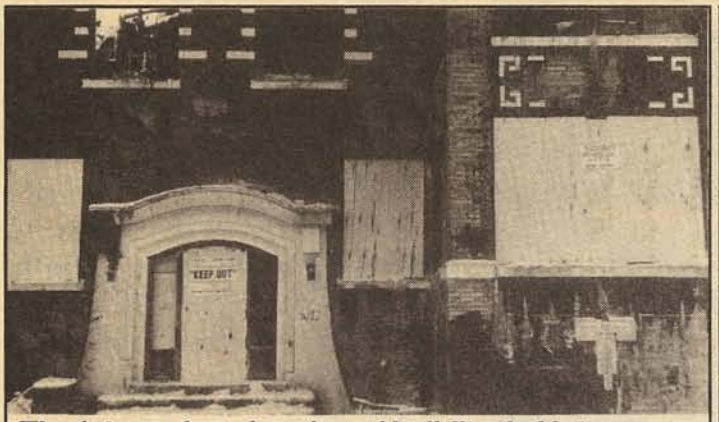


The future of an abandoned building in Uptown may be burning or demolition—or it may be redevelopment for rental at rates far beyond the reach of most Uptown tenants, causing property taxes and therefore other rents in the area to rise.

4601 N. Malden was milked dry and destroyed by slumlords while former alderman Jerry Orbach was a Housing Court lawyer and did nothing. The building was bought by campaign contributors to Orbach who now charge almost $1,000 a month rent.

is Randy Langer, whose Community Property Organization (CPO) has bought up some 600 units in the neighborhood. On the surface it appears as if he is giving some of the worst neighborhood buildings a bright new look. However, massively funded by sources in Boston, he not only has moved low and moderate income tenants out of the buildings he has rehabbed, but he is leaving many of them vacant, apparently while he waits for the face of Uptown to change. This is no free market economy operating—this is a cold-hearted conspiracy to gentrify a neighborhood in order to pocket millions of dollars.

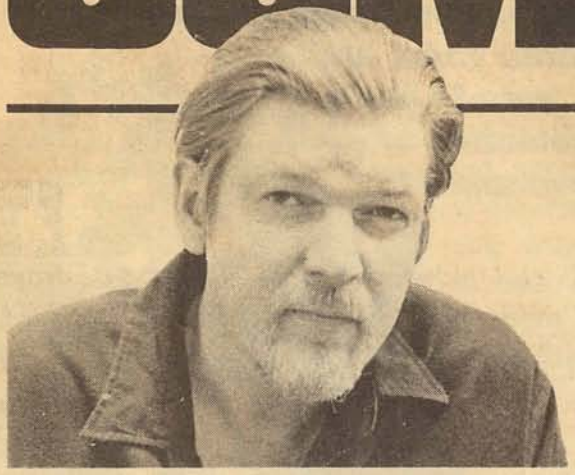
As an understanding of the kind of development conspiracy Langer was engaged in grew, it was with renewed vigor that the Heart of Uptown poured itself into Helen Shiller's newest aldermanic campaign. "Development without displacement" was the issue and many residents went door to door to urge their neighbors to vote for Shiller: a last stand in a long war against gentrification.

Shiller's election represents a major victory for Uptown, and the campaign for the Affordable Housing Ordinances may at last win a permanent place in the community for the low and moderate income residents who have fought so hard all these years to have affordable decent housing in a stable neighborhood where they can raise their families.

Angry Uptown residents march on 4501 Malden, a multi-unit building that once housed low-income tenants bought up by Randy Langer. Rents are so high in many of his buildings that they remain almost completely vacant.

With Helen Shiller's election, Uptown residents finally have an alderman who will fight for their right to affordable housing. Ald. Shiller has introduced a set of Affordable Housing ordinances to accomplish "Development without Displacement."

COMMENT



RECONSTRUCTION OR RENAISSANCE

By Slim Coleman

To know what to do to improve your life you have to get a clear and truthful analysis of the situation you are in. You can dream of the way you would like things to be, but these are only dreams. If you first understand your present situation, then you can make realistic plans and take action that gets results.

What is our situation in Chicago—and most of the other cities of this country? We are in a squeeze between two forces, two movements. These forces or movements are in contradiction with each other. They compete with each other for the future of the cities. They are the forces of "Renaissance" and the forces of "Reconstruction." We must understand each, and understand the reality of the contradiction between the two.

Reconstruction is the process of building new institutions that better serve *all* the people of the city, and serve them in an *equitable* manner.

Reconstruction comes about when those who were powerless and disenfranchised win the right to add their voice and vote to the selection of government. This happened after the Civil War, when Black people got the right to vote. The local governments in the South elected when the Black population had the right to vote *and used it* not only created more fairness for Blacks but for Whites of the poorer classes. That is a fact of history. That was Reconstruction. It was destroyed when the federal government withdrew federal civil rights protection and Klan terror put the wealthy plantation owners and cotton magnates back into the control of government.

Reconstruction can happen in Chicago, where massive voter registration and education swept Harold Washington to the fifth floor and swept the old machine out the door.

It can happen. But there is a contradiction with the other movement for control of the cities, for the future of the cities: the Renaissance movement.

The Renaissance movement, in cities all over the country, opens the door and rolls out the red carpet for developers and corporate giants to reshape the city for their own profits. Renaissance means luring the middle and upper income people back into the city by driving out Black, Latino, Asian and Whites of lower economic groups by redeveloping the neighborhoods and the job base for a higher priced set of people.

Reconstruction in housing means devoting the city's resources to saving existing low and

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moderate income housing and building more of it to fill the crying need.

Renaissance in housing means tearing down public housing, and subsidized housing and giving breaks to developers to develop middle and upper income housing, displacing poor and working people.

Reconstruction in the economy means keeping good paying industrial jobs in the city by improving services to industry and providing job training for new workers from our own communities. It means protecting manufacturing areas.

Renaissance in the economy means replacing good paying manufacturing jobs with low paying service jobs. It means driving up the costs of maintaining industry by moving upscale shopping centers into manufacturing areas.

Reconstruction in education means giving every child a chance not only to learn a skill but to understand his or her true history and place in modern day society.

Renaissance in education means creaming off the top, creating a dual school system, with academies and magnet schools for the middle class and overcrowded no-program schools for the rest of the children. It means letting the private corporations run the schools in the name of job training so that they can set up a dual school system.

Reconstruction in health care means fighting for public health care, public hospitals and clinics and mass public health education.

Renaissance in health care means HMO's for those who can afford it and cutbacks in public health care delivery.

Reconstruction is the process of building new institutions that better serve all the people of the city, and serve them in an equitable manner. Reconstruction comes about when those who were powerless and disenfranchised win the right to add their voice and vote to the selection of government.

Reconstruction in government means affirmative action in hiring and restructuring old ways of catering only to the privileged few.

Renaissance in government means privatization, turning over the functions of government on contract to corporations who are not accountable to the public.

THE BIG SQUEEZE

Some people thought simply the election and reelection of Mayor Harold Washington with a majority city council would put us firmly on the road to Reconstruction. But these people did not understand the nature of the contradiction between Reconstruction and Renaissance.

The Renaissance forces get new life even when the people elect a Reconstruction government in a city because of the BIG SQUEEZE.

How does the big squeeze work? First, the Reagan administration and the Thompson administration cut back drastically on funding to the

COMMENT

The Renaissance movement, in cities all over the country, opens the door and rolls out the red carpet for developers and corporate giants to reshape the city for their own profits.

cities, giving them less than they pay in taxes, much less than their fair share.

Reagan and Thompson cut back on housing money, and health care money, and schools money and money for job training and economic development. Then, they say, the only way to deliver these services is to let the business community provide them and provide them the way the business community wants to: and that is the Renaissance.

Reagan and Thompson cut back on basic dollars that the city needs to pay police and firemen and collect the garbage. They say, "Rely on your own property tax base, and no, you can't have any kind of other tax that would allow you to get money from those who work in the city and live in the suburbs." Then they say, "You need Renaissance development, with its increased property values and higher income people to get the tax base necessary to keep your city running."

That is the Big Squeeze. It is happening in Chicago. It is happening in cities all around the country. It is happening in Third World countries which have won their independence.

The Reagan Administration is squeezing Third World countries economically the same way it is squeezing the cities in order to get them to go the Renaissance road instead of the Reconstruction road. And that is because there are more profits to be made for the big corporations with Renaissance than with Reconstruction. General Electric shutting down plants in this country and using martial law slave labor in Taiwan to become the largest exporter of goods from Taiwan to the U.S. is the Renaissance policy.

And when economic pressures don't squeeze enough to produce a Renaissance policy in a country, they send in the CIA with its billion dollar budget and start to "destabilize"—they start a war. That is why we have "low-intensity conflict" in 40 places around the world, funded by the U.S. taxpayer. That is why we have Nicaragua today.

Reconstruction and Resistance

How can we fight off the big squeeze? By remembering how we got as far as we have gotten. We used the method of Reconstruction and Resistance. We created an institution, a Reconstruction institution, no matter how small and pitiful it was. It may have been a Free Breakfast for Children Program in a church. But it was controlled by the people, accountable to the people, and it served the people to the best of its ability. That let people know what we were fighting for.

And then we mobilized the people to resist the government and the businesses which treated most of us as second class citizens.

That was the method of Reconstruction and Resistance and it worked to get us where we are today. It brought about progress. It was nothing new. Before the breakfast programs it had been from the Freedom Schools to the marches to Brown vs. the Board of Education. Reconstruction and Resistance.

We need to do what Mayor Washington said to do in his inauguration speech. We need to "do for ourselves" and "fight for our Fair Share from the state and federal government."

Reconstruction and Resistance means that we don't act like the battle is over, sit back and expect city government to solve the problems of public housing and public education or any of the other major problems in this city which are being caused by the big squeeze. Reconstruction and Resistance means we make the best of what we do control and organize and fight like hell for our fair share of what we don't control.

Vivienda es un Derecho

La Escasez de Viviendas de Costo Moderado

¿Cuándo es que un asunto se convierte en crisis? Si 30 millones de norteamericanos fueran víctimas de desplazamiento de sus hogares y comunidades, es todavía eso un "asunto de viviendas de costo moderado" o se convierte en la "¿crisis de viviendas de costo moderado?" ¿Si diez millones de esos 30 millones se encontraran sin un hogar, es entonces una crisis?

¿Serán 30 millones de personas forzadas de sus hogares en la próxima década?

La Administración de Reagan ha sido extremadamente renuente a documentar y emitir estadísticas que permitirián ver lo extenso de la ***crisis nacional en viviendas de costo moderado***, pero la verdad se está filtrando poco a poco.

Casi ningunas unidades de viviendas de bajo ingreso se están construyendo por desarolladores privados sin asistencia federal. Pero existentes unidades de viviendas de bajo y moderado ingreso están siendo eliminadas en proyectos residenciales privados en una forma alarmante. Estadísticas preliminares indicadas por el Departamento Federal de Vivienda y Desarrollo Urbano (HUD) demuestran que entre dos y tres millones de personas son desplazadas de sus hogares todos los años por aumentos en la renta. Las renta nunca bajan, asi que estas unidades se eliminan del inventario de viviendas de bajo o moderado ingreso. En el espacio de diez años, si no se altera esta tendencia nacional, estas mismas estadísticas indican que un mínimo de 25 millones de personas se verán forzados a abandonar sus hogares.

Para aquellos que se las arreglan en pagar estos altos costos en vivienda este año y a través de la próxima década, estos mismos altos costos devorarán sus salarios. Inclusive, en los últimos cinco años, el costo de la vivienda ha aumentado 3 veces mas rapido que los ingresos.

En vez de estar interviniendo en esta crisis, el gobierno federal le está hechando mas candela al fuego. Setenta mil (70,000) unidades de vivienda pública son abandonadas o destruidas cada año, de acuerdo al secretario nacional de HUD, Samuel Pierce. Al cabo de diez años, si este patrón continua, perderemos 700,000 de las 1.3 millones de unidades de vivienda pública de esta nación, y virtualmente ningunas nuevas unidades están planificadas para ser contruidas.

Casi dos millones de unidades de viviendas de bajo y moderado ingreso son proveídas por contratos o acuerdos hipotecarios entre el gobierno federal y propietarios privados. Estos acuerdos y los contratos están llegando a su final; casi un millón podrían ser dejados a expirar.

¿Están siendo construidas nuevas unidades por el sector privado con asistencia federal para sustituir la pérdida de unidades en otros lugares? Casi ningunas. Construcción de viviendas con ayuda federal ha bajado desde 200,000 al año a 25,000 al año durante la administración de

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En los próximos 10 años, con la actual tendencia, 30 millones de seres serán desplazados cuando no puedan sufragar el costo de la vivienda: 2 millones del sector de vivienda pública (derecha), 3 millones del sector donde los subsidios no se han renovado (al extremo), y 25 millones por abandono y gentrificación (abajo).

Reagan. Si esta tendencia continua, solamente 250,000 nuevas unidades de vivienda serán construidas en los próximos diez años, y solamente una fracción de estas serán para inquilinos de bajo ingreso.

¿A qué suma todo esto? Analízalo tu: si el promedio apartamiento de bajo y moderado ingreso mantiene a tres personas (un estimado conservador), 25 millones de personas serán desplazadas de 10 millones de hogares por causa de la inflación en el costo de la renta y por la adquisición en masa de las propiedades por la clase media alta. Otras dos millones serán forzadas a irse de 700,000 unidades de vivienda pública abandonadas. Y otras tres millones serán desplazadas de un millón de apartamientos cuando los contratos de Sección 8 y acuerdos hipotecarios expiran. El total: 30 millones de personas desplazadas de viviendas de bajo y moderado ingreso en diez años. Es tal vez el mas grande desplazamiento de personas en la historia del mundo.

¿Cúal será el resultado en términos humanos? Al presente las estadísiticas indican que existen tres millones de personas sin hogar. Este numero se triplicará. Esas personas que puedan conseguir vivienda entre el disminuyente abastecimiento de viviendas de costo moderado pagarán tanto que no les va a sobrar para cubrir las necesidades básicas de la vida. Y millones, muchos de ellos niños, serán removidos de sus comunidades, de sus escuelas y de sus empleos. Comunidades que adquieran los beneficios de la fuerza política, perderán esos beneficios.

De estos 30 millones que desastrosamente se verán afectados por la crisis en viviendas de costo moderado, mas de la mitad serán afro-americanos y latinos, pero millones de anglo-americanos también serán afectados. En las palabras del candidato presidencial, Jesse Jackson, "contrario a la violencia racial de los años sesenta, la violencia económica de la década de los ochenta está afectando a personas de todos los colores."

¿Y qué del sueño de tener su propia casa, el "castillo" para el norteamericano promedio, que los proteje de los vientos huracandados de los especuladores de bienes raices y los cambios políticos? Las compras de casas en este pais ha disminuido anualmente desde 1981, despues de 35 años de aumento continuo. En 1949, el promedio comprador de 30 años de edad necesitaba gastar 14 porciento de su salario para poder tener una casa. En 1985 se necesitaba 44 porciento.

Tal parece que los efectos abarcadores de la crisis en vivienda afectando tantas personas de tan diversas raíces étnicas, raciales e ingresos, asi como a tantas areas geográficas, y en vista del efecto devastador concentrado en millones de personas en areas urbanas, está creando la base para una nueva política nacional de vivienda, surgiendo desde las ciudades.

Vivienda es un Derecho

Alcalde Harold Washington Propone Una Promesa Nacional Para Afrontar Una Crisis Nacional

El Alcalde Harold Washington, el Alcalde de Boston Ray Flin y miembros del Tuller Especial de Vivienda—Conferencia de Alcales de E.E.U.U.

El miercoles 14 de septiembre, de parte de la Conferencia Estadounidense de Alcaldes, el Alcalde Harold Washington anunció una propuesta nacional para afrontar la crisis de vivienda de costo moderado en la nación en los próximos diez años.

La Conferencia Estadounidense de Alcaldes incluye a ciudades alrededor del pais con una población mayor de 30,000 personas. El Alcalde Washington explicó que su propuesta iría primero a un comité del senado federal que está preparando la primera legislación nacional sobre vivienda desde 1981, y que tambien serviría como barómetro de apoyo a candidatos presidenciales en las ciudades de la nación.

De acuerdo al Alcalde Washington, los alcaldes de la nación enfocan su propuesta sobre vivienda en dos prioridades: la preservación de existentes viviendas de moderado ingreso y la necesidad de construir viviendas adicionales.

El Alcalde se refirió a la crisis en vivienda de costo moderado al estimarse que ***30 millones de personas pueden verse forzadas abandonar sus hogares*** en los próximos diez años, nacionalmente, por aumentos en la renta, abandono, unidades de vivienda pública perdidas y la expiración de contratos de subsidio federal que le

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"Nosotros tenemos un defecto en Norteamerica. Nosotros no abordamos las situaciones hasta que no se conviertan en crisis. Pero la situación de vivienda de costo moderado es ahora una crisis que no se puede negar."

permitirá a propietarios privados que recibián subsidios en el pasado, exigir rentas de clase media y media alta en los próximos diez años.

El Alcalde propuso primero que un superfondo de 25 billones de dólares sea establecido en los próximos cinco años para traer la vivienda pública a la par. El gobierno federal dice que el costo de reponer las actuales unidades es de 65 billones de dólares. Las estadísticas del propio gobierno federal indican que el costo en traer unidades públicas a la par es de 25 billones dolares.

"Si abandonamos nuestra inversión de $65 billones en vivienda pública," dijo el Alcalde, "como cualquier inversión comercial, promovemos la miseria humana mientras perdemos dinero. Si protejemos nuestra inversión de 65 billones dólares, estamos bregando con los problemas de los residentes actuales de vivienda pública, mejoramos nuestros vecindarios y sembramos la semilla para la revitalización de nuestras comunidades. Esta es la base, el requisito fundamental de un política de vivienda—reclamar las unidades existentes."

El Alcalde continuó diciendo que, "nosotros tenemos que trascender la reparación y mantenimiento de unidades existentes de vivienda pública y comprometernos a políticas que desarrollan nuevas viviendas de costo moderado en el sector privado."

El Alcalde Washington hizo un llamado para la creación de un Fondo de Vivienda Nacional que ayudaría a construir 4 millones de unidades de vivienda de costo moderado donde el propietario privado recibe subsidio público, por los próximos diez años.

La propuesta del alcalde especificamente señala que millones de personas están siendo desplazadas de sus casas por la adquisición de propiedades por la clase media y media alta y por abandono, dos fases del "ciclo de vivienda." El "ciclo de vivienda" en los vecindarios urbanos, de acuerdo al alcalde pasa por cuatro fases: 1) **desinversión** por los bancos y dueños de edificios de apartamientos, resultando en (2) **abandono y deterioro;** 3) **revitalización** al desarrolladores de bienes raíces adquirir los edificios a precios baratos e 4) **inversión en masa de la clase media y media alta** donde las rentas y los precios de edificios recien renovados se venden tan altos que personas de bajo y moderado ingreso no pueden pagar las rentas.

El Alcalde Washington identificó la política de vivienda de la administración de Reagan, que ha cortado los fondos federales para viviendas de bajo y moderado ingreso a casi nada, como la causa de la presente crisis de vivienda. "El gobierno tiene que intervenir cuando la crisis en vivienda llega a este punto," dijo el alcalde.

Cuando le preguntaron de donde llegaría el dinero para los dos propuestos fondos nacionales de vivienda, el Alcalde dijo, "facilmente se puede encontrar en el presupuesto de defensa de 300 billones dólares."

Cuando le preguntaron porqué el creía que esta propuesta se aprobaría por el Congreso ahora, hechando atrás el rumbo de la administración de Reagan, el Alcalde dijo, "nosotros tenemos un defecto en Norteamerica. Nosotros no abordamos las situaciones hasta que no se conviertan en crisis. Pero la situación de vivienda de costo moderado es ahora una crisis que no se puede negar."

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SUMARIO DE HECHOS POLITICA NACIONAL SOBRE VIVIENDA DE LA CONFERENCIA ESTADOUNIDENSE DE ALCALDES

Objetivo: Restaurar el compromiso federal hacia las necesidades de viviendas de costo moderado de todos los ciudadanos, particularmente norteamericanos de bajo y moderado ingresos.

LA CRISIS DE VIVIENDA AL PRESENTE

- Cada año 2-3 millones de norteamericanos son forzados a irse de sus hogares por costos incontrolables en la vivienda que están aumentando tres veces más rapido que los ingresos;
- El número de familias solicitando hogares de emergencia ha aumentado en un 31 porciento en los pasados dos años;
- Más de 30 millones de personas pueden ser removidos de sus hogares en los próximos diez años debido a destrucción y adquisición por la clase media y media alta;
- Unas 900,000 unidades de viviendas privadas pero subsidiadas por el gobierno federal serán eliminades del mercado de unidades de costo moderado en la próxima década como resultado de la expiración de contratos de subsidio y acuerdos hipotecarios.

PROBLEMA:

Existen cientos de miles de personas en la lista de espera para vivienda pública. El gobierno federal ha invertido $65 billones nacionalmente en vivienda pública. Anualmente, por lo menos 70,000 unidades de vivienda pública son abandonadas en total deterioro. El costo de modernizar las existentes 1.3 millones de unidades de vivienda pública es de $21-25 billones.

LA PROPUESTA:

Un programa de asistencia para vivienda pública designado a salvar dichas viviendas. Contiene tres fundamentales componentes:

- El Superfondo de $25 billones para Vivienda Pública para preservar la reserva actual de viviendas públicas mediante el mantenimiento de las 1.3 millones unidades de vivienda pública;
- Un Fondo para Modernizar que financiariá un continuo mantenimiento y modernizaría las unidades de vivienda pública además de eliminar el número de atrasos de mantenimiento;
- Un Fondo Operacional para afrontar el cúmulo de gastos operacionales de las agencias de vivienda pública.

PROBLEMA:

El gobierno federal ha incumplido con su compromiso hacia la vivienda de costo moderado subsidiada. El número de unidades con asistencia federal que están siendo construidas ha disminuido de más de 200,000 en 1981 a menos de 25,000 al año actualmente. En 1988 el presupuesto federal designará menos de un porciento para proveer viviendas de costo moderado a sus ciudadanos.

LA PROPUESTA:

Un Fondo Especial de Vivienda

Esto es un fondo autónomo, permanente y renovable creado para afrontar los costos capitales en la construcción de viviendas de bajo ingreso, de propiedad privada, y de subsidios de renta. La mayor parte de este dinero se le dará directamente a las ciudades en base a la necesidad y la capacidad de cumplir con los objetivos del programa. El resto de los fondos serán destinados a los estados para uso en areas específicas.

Vivienda es un Derecho

Concejal Helen Shiller Introduce Plan de Viviendas de Costo Moderado

Helen Shiller, concejal del Distrito 46 ha introducido una ordenanza al Consejo de la ciudad de Chicago el cual provee incentivos para la construcción de vivienda de calidad y alcanzable al proveer desincentivos para la especulación de bienes raices por parte de los terratenientes.

La aprobación de tal ordenanza representaría la primera véz desde 1942, que el Consejo de la ciudad de Chicago apreuba legislación que proteje la vivienda al alcance de los residentes de la ciudad.

"Yo introduje estas medidas el 29 de julio porque la ciudad esta perdiendo viviendas al alcance de miles de personas a tal paso que estan siendo desalojados de sus hogares," explicó Shiller.

A nivel nacional 30 millones de personas puede que sean desalojadas de sus hogares durante la próxima década y a nivel local, durante las dos últimas décadas, más de 10,000 personas han sido desalojadas de mi distrito. A menos que se haga algo durante los próximos 10 años otras 7,000 personas pueden ser forzadas a mudarse del area de Uptown del Distrito 46."

La propuesta de Shiller refleja fielmente la política de Vivienda Nacional del Alcalde Washington que fué sometida a la Conferencia de Alcaldes de los Estados Unidos. Ambas medidas promueven el desarrollo de vivienda alcanzable atravéz del ofrecimiento de incentivos a urbanizadores privados y asi previniendo que los terratenientes reduzcan la oferta de viviendas para personas de bajos ingresos.

"Yo propuse dos tipos diferentes de zonas porque la ciudad realmente esta confrontando los dos tipos de situaciones" dijo Shiller. En algunas comunidades viviendas alcanzables se han perdido debido al deterioro de las casas en existencia y a la falta total de nuevas inversiones.

En otras areas el ciclo ha cambiado de desinversión a reinversión. Mientras que a nadie le gusta vivir en un "barrio de mal ambiente" las personas que no pueden pagar alquileres más altos se encuentran encarando menos y menos alternativas. Mientras que tienen que pagar su alquiler mes tras mes solo para recibir vivienda inferior a cambio, la nueva revitalización que esta ocurriendo en el area no provee un lugar para ellos y estan siendo forzados, usualmente, a mudarse a viviendas de inferior calidad y algunas veces hasta a la calle ya que no hay viviendas que esten a su alcance.

La realidad de la inflación en el mercado de la vivienda ha alentado a la peor clase de especuladores. El costo de la vivienda ha aumentado tres veces más que los sueldos en los últimos 10 años. Mientras tanto hay una taza del 0 porciento de vacantes en viviendas para personas de bajos ingresos y una tasa de por los menos cinco porciento de vivienda para ingresos medianos y altos en Chicago hoy en dia. En algún momento el liderazgo político tiene que tomar bajo su responsabilidad la vivienda. Si hay una tasa baja de vacantes en una area de vivienda tenemos la responsabilidad de asegurarnos de qu hayan incentivos para dirigir a la industrá de bienes raíces y así corregir este desequilibrio. No han estado dispuestos a hacerlo por su cuenta." Shiller propone atraer la inversión privada a cada zona ofreciendo una serie de incentivos

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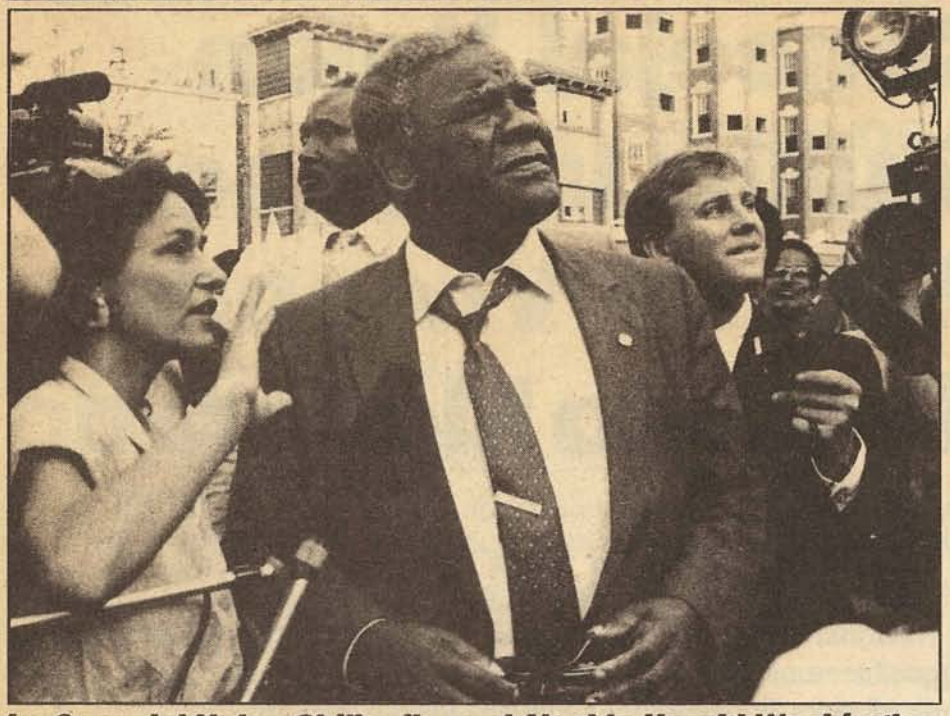


La Concejal Helen Shiller lleve al Alcalde Harold Washington en una caminata atraves de Uptown examinando los problemas de vivienda.

continuada de pagina 47

ofreciendo una serie de incentivos que hagan de la construcción de vivienda alcanzable una empresa de provecho.

Para complementar la propuesta del Alcalde Washington de crear un Fondo Nacional que iguale a los esfuerzos locales Shiller crearia un Fondo para vivienda alcanzable a ser administrado por una comisión de nueve personas nombradas por el Alcalde. El fondo ayudaría a subsidiar los costos de construcción y aseguraría que la vivienda yá construida permaneciera a su alcance.

"No estamos tratando de aliviar el problema de vivienda temporalmente" dice Shiller. La vivienda construida con estos incentivos debe permanecer como vivienda alcanzable.

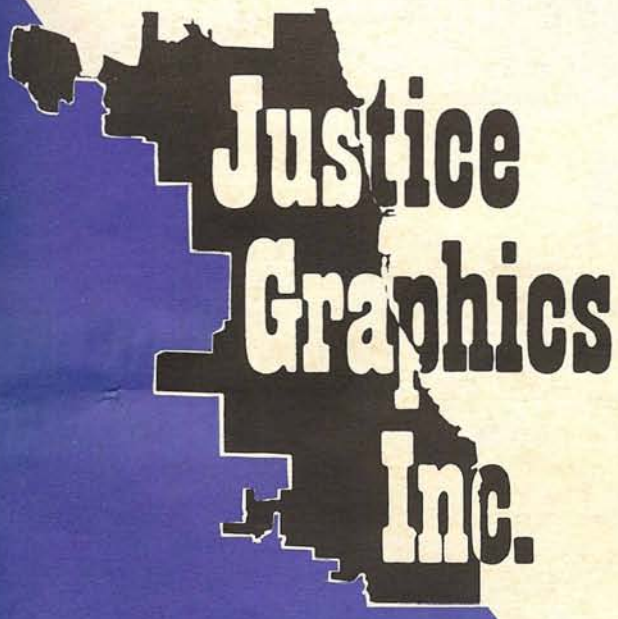
Aparte de poder igualar los fondos del Fondo Nacional del tipo que Harold Washington esta procurando, la propuesta de Shiller permitiría que el Fondo Local recibiéra dinero de un sin número de fuentes tales como una tarifa por la conversión de una propiedad industrial para uso residencial, un porcentaje de las multas cobradas por concepto de violaciones al código de edificios, ganancias derivadas de la venta de tierras urbanas en renovación y una porción de las ya existentes tarífas por transferencia de condominios.

Así mismo, los projectos aproen zonas de vivienda alcanzable podrían substituir el código de Edificios BOCA por el Código existente de Edificios de Chicago, un incentivo que reduciría dramáticamente el costo de construcción mientras se mantiene la seguridad de los residentes.

Los urbanizadores tambien podrían optar por emprender una empresa conjunta con corporaciones públicas de urbanización en cada zona. Estas corporaciones tendrían que ser aprobadas por la comisión de Viviendas Alcanzables del Alcalde y las corporaciones exemptas de impuestos que son integradas por lo menos en su mitad por residentes de la comunidad.

Además de los incentivos para vivienda alcanzable Shiller busca la protección de los residentes actuales de una zona de vivienda alcanzable siendo revitalizada de ser desalojados por los poderosos terratenientes. En estas areas especificamente definidas los dueños de edificios serían desalentados de subir el alquiler por más de 15% durante un período de 12 meses. Al hacer esto ellos serian responsables de dar una notificación escrita de 120 dias y $2,000 de pagos de reubicación a cualquier inquilino que fuera forzado a mudarse por no poder pagar el aumento y que no pudiera reubicarse en un apartamento comparable en la misma comunidad.

"Es mi intención proveer estabilidad al area" dijo Shiller. Un pago de $2,000 por reubicación es realmente modesto, muchos estados y ciudades tales como Nueva York, actualmente requieren el doble de esta cantidad".



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The Affordable Housing SQUEEZE

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Keep Strong Editorial

FIGHTING BACK!

In this issue, ***Keep Strong*** focuses on the affordable housing crisis that has been unleashed, aided and abetted by the Reagan counter-revolution. 30 million people in this nation are at risk of being forced from their homes in the next decade by the rising cost and dwindling availability of affordable housing. This crisis, combined with the loss of industrial jobs, will cause the greatest internal disruption in this country since the Civil War or the Great Depression and devastate the lives of 25% of the nation if it is not checked. Its most crushing effects will be felt in cities, cities like Chicago.

We must fight back now, and Mayor Washington has proposed a national movement behind a series of concrete proposals to meet the crisis in affordable housing. **Alderman Helen Shiller has initiated a local set of proposals** in Chicago that complement the Mayor's program. Together, they give us a program to fight for—and there are things that each of us can and must do to fight for them.

In This Issue:

Mayor Harold Washington
National Affordable Housing Plan

Alderman Helen Shiller
Local Affordable Housing Proposals

What YOU Can Do To Fight For Affordable Housing